



Daily Report

East Asia

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Japan

U.S. Refuses To Comment on Reported CIA Spying
OW2710025195 Tokyo KYODO in English
0230 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — The United States has refused to comment on its intelligence agents' reported economic spying in bilateral auto trade talks with Japan earlier this year, a top Japanese Government spokesman said Friday [27 October].

Chief Cabinet Secretary Koken Nosaka told a news conference that Japan's Ambassador to the U.S. Takakazu Kuriyama was told of the U.S. refusal to comment during a talk with Assistant Secretary of State Winston Lord in Washington on Thursday.

Lord was quoted as telling Kuriyama that the U.S. Government has a policy of not making any comments about its intelligence service activities.

Kuriyama told Lord he was disappointed by Washington's failure to clearly deny the reported spying, and served notice that the alleged activities could poison the relationship between the two countries, Nosaka said.

"Following the news reports, doubts are spreading in Japan about the trustworthiness of the U.S.," Kuriyama was quoted as saying.

The Japanese ambassador also warned that Japan can never allow any foreign country to get away with illegal intelligence activities conducted against Japan, and urged the U.S. Government to wipe away Japan's suspicions about the case.

Lord replied it would be extremely regrettable if the reported U.S. espionage were to impair the bilateral relationship based on trust, adding it is in the interest of the U.S. to maintain close ties with Japan.

In the wake of the U.S. news reports earlier this month about the economic spying, Tokyo had asked Washington to make an official reply on the alleged activities on Japanese trade negotiators by the Central Intelligence Agency (CIA).

"We cannot be satisfied with a reply like this," Nosaka said. "There still remain suspicions and this could hurt Japan-U.S. relations."

But he said Japan will adopt a wait-and-see attitude on the matter for a while, in lieu of pressing the U.S. again to reveal the truth.

"The Japanese Government would like to closely monitor the U.S. Government's future action on this issue," the chief cabinet secretary said. "We will get some other response from them one of these days."

THE NEW YORK TIMES and NBC TV reported separately in mid-October that the CIA conducted economic spying on Japan during the bilateral negotiations on auto and auto parts trade earlier this year.

Murayama Approves Draft for Summit With Clinton

OW2710073295 Tokyo SANKEI SHIMBUN in Japanese 25 Oct 95 Morning Edition p 1

[FBIS Translated Text] On 24 October, the governments of Japan and the United States finalized the draft joint statement to be issued by U.S. President Bill Clinton and Prime Minister Tomiichi Murayama after their summit meeting on 20 November.

According to a copy of the draft statement obtained by SANKEI SHIMBUN, on the issue of U.S. military bases on Okinawa, which is the greatest pending issue, the document will clearly state the intention of the two sides to work toward the cutback of U.S. bases by including a passage on "continuing efforts to reorganize and consolidate" the bases.

Murayama has already approved this draft, and he will explain this to Okinawa Governor Masahide Ota, whom he is scheduled to meet on 28 October, in an effort to resolve the issue of Ota's refusal to sign land lease documents for forced use of land for U.S. bases.

Bureaucrats on both sides held several discussions on the draft, after which the U.S. side wrote the document. The Japanese side has also basically agreed to this. The purpose of the statement is to define a new role for the bilateral security alliance and redefine the security treaty 50 years after the end of World War II.

The statement first asserts that the Japan-U.S. security setup is not only a bilateral alliance, but is also the "cornerstone of peace and stability in Asia and the Pacific;" its importance remains unchanged in the post-Cold War period.

The declaration also states that the U.S. military presence is "indispensable" for regional stability, and Japan will continue to shoulder the cost under the new special agreement outlining the Japanese share in the expenditures of U.S. Forces Japan [USFJ]. The two sides also indicate their determination to conclude an Acquisition and Cross Servicing Agreement (ACSA) to enable joint military exercises and mutual support with the U.S. forces.

The statement also calls for bilateral cooperation in UN peacekeeping operations (PKO), and the promotion of cooperation in defense technology, such as the joint development of the next generation support fighter (FSX).

Active work on ways to revitalize the bilateral security arrangements started after an agreement was reached at the Japan-U.S. summit talks last January. However, the rape of a schoolgirl in Okinawa on 4 September resulted in Governor Ota's refusal to undertake proxy signing procedures for the forced use of land for U.S. bases. The Japanese and U.S. governments suddenly had to discuss what to do with the U.S. bases in Okinawa.

As a result, a passage on "continuing efforts to reorganize and consolidate facilities and sites (used by USFJ) in Okinawa" "in line with security requirements" is being added.

Murayama hopes to gain Governor Ota's understanding by including the cutback of U.S. bases in the joint statement on security. However, it remains uncertain whether Ota will revoke his decision not to sign the land documents. There is also a persistent opinion that the passage on reorganization and consolidation is insufficient. For this reason, the two governments may have to engage in consultations and revision of the draft joint statement until immediately before the summit.

Perry's Comment on Forum, U.S. Policy Noted

*OW2610233095 Tokyo KYODO in English
2309 GMT 26 Oct 95*

[FBIS Transcribed Text] Washington, Oct. 26 KYODO — U.S. Secretary of Defense William Perry offered a positive stance Thursday [26 October] in establishing a new joint forum to discuss the problems of U.S. bases in Okinawa, but stressed the unchanged U.S. defense policy in Japan, a Japanese official said.

Perry conveyed his position to Japanese Ambassador to Washington Takakazu Kuriyama during their meeting to discuss the U.S. defense secretary's visit to Tokyo next week, the official said.

Perry told Kuriyama the United States is prepared to discuss seriously the issues of consolidating and adjusting U.S. bases in Okinawa and is positively considering the new joint forum proposed by Japan, the official said.

But he said Perry noted that the U.S. defense policy remains unchanged.

The U.S. defense secretary was apparently referring to the U.S. policy of leaving unchanged the number of troops in East Asia, including Japan.

Earlier this week in Tokyo, Japanese Foreign Minister Yohei Kono and U.S. Ambassador to Japan Walter Mondale agreed in principle to set up the new panel to discuss the consolidation and realignment of U.S. bases.

The two nations are facing growing public outcry in Okinawa to reduce U.S. bases there in the wake of the rape of a schoolgirl in the southernmost island prefecture for which three U.S. servicemen have been indicted.

There are about 30,000 U.S. troops stationed in Okinawa where about 75 percent of U.S. military facilities in Japan are concentrated on roughly 20 percent of the island.

Perry's visit is intended to address the Okinawa issue in a bid to quell the public anger ahead of a summit in Tokyo in November between U.S. President Bill Clinton and Japanese Prime Minister Tomiichi Murayama.

The official said Kuriyama and Perry agreed the summit is extremely important in reinforcing bilateral relations.

Perry particularly pointed to the importance of a planned joint declaration by the two leaders to reaffirm the strong bilateral security ties.

Meanwhile, Kuriyama expressed Japan's appreciation over the swift U.S. response that led to an accord earlier this week to change criminal jurisdiction procedures under the Status of Forces Agreement, the official said.

But Kuriyama also stressed the need for the U.S. military to continue strict enforcement of law and discipline to prevent reoccurrence of heinous crimes, the official said.

Officials Reacting to SOFA Amendment Accord

*OW2710041595 Tokyo MAINICHI SHIMBUN
in Japanese 26 Oct 95 Morning Edition p 2*

[FBIS Translated Text] Officials at the Prime Minister's Official Residence approved of the Japan-U.S. agreement reached on 25 October to improve the implementation of the Status of Forces Agreement [SOFA] with regard to the transfer of custody of U.S. military personnel involved in crimes prior to indictment by Japanese prosecutors. A top government official said: "Our demand was accepted. This means improvement of the SOFA system rather just its implementation." However, Okinawan Vice Governor Masanori Yoshimoto, who visited the office the same day, said: "It will not be acceptable to the Okinawan people unless (SOFA) is revised." His remark indicates the difficulty of easing Okinawan's "vexation" about the U.S. base issue.

Prime Minister Tomiichi Murayama has announced his intention to tackle the SOFA issue, including the possibility of revising the agreement, at meetings with relevant cabinet members, saying: "We should not deny the possibility of revision from the beginning."

The reason the prime minister kept making remarks indicating a more positive attitude than the Foreign Ministry is because he is giving consideration to the strong demand by both the Okinawan people and the Social Democratic Party [SDP] for the actual revision of the agreement, rather than just an improvement in its implementation.

The prime minister's office regards the 25 October agreement as a "SOFA revision in real terms," even though it did not result in the revision of the actual provisions of the status pact. However, clauses other than the transfer of suspects' custody will be discussed further at the new Japan-U.S. forum, which Foreign Minister Yohei Kono and U.S. Ambassador Walter Mondale have basically agreed to establish. Utmost efforts will be made to draw up measures for further cutbacks of the bases.

Meanwhile, Shigeru Ito, SDPJ Foreign Affairs Division chief, who calls for the SOFA's revision, welcomed the news to a certain extent, saying: "It does not mean the end of discussion, but still, it indicates some progress." However, SDPJ Vice Chairman Kosuke Uehara from Okinawa Prefecture expressed his dissatisfaction that "the change is extremely insufficient because the decision of whether or not to hand over suspects to Japan will be made by the United States."

Okinawan Officials React to Nye's Base Remarks

OW2710045695 Naha RYUKYU SHIMPO
in Japanese 27 Oct 95 Morning Edition p 2

[FBIS Translated Text] In reaction to the negative view expressed by Joseph Nye, U.S. assistant secretary of defense, on the cutback of U.S. Forces Japan [USFJ] and revision of the Status of Forces Agreement [SOFA] on 25 October, senior Okinawa officials are critical of the U.S. official's remark, which emphasizes only strategic considerations. They pose the question: "Can the bases be maintained in disregard of the Okinawan people's will?"

Choko Takayama, the prefectural government's policy coordinator, criticized the "New East Asian Strategic Initiative" compiled by Nye for being totally preoccupied with a strategy of "responding to threats," which is premised on threats from North Korea and uncertainty in the China situation after Deng Xiaoping's death. He said: "More efforts should be devoted to coordination through peace diplomacy in the face of changes in the international situation after the Cold War."

With regard to Nye's strong opposition to the reduction of the USFJ, based on his position that there is a need to "maintain 100,000 U.S. forces" in East Asia, Takayama argued that "If security in East Asia is that important,

[the United States] should maintain the same level of military force in Hawaii and Guam. U.S. forces there have been reduced, while Okinawa is the only place where nothing has been done. In an era where the air force can respond to emergencies, there is no need for forward deployment of marines in their present form."

Takayama also talked about the Japanese Government's response. He said: "No matter what the United States thinks, in the first place, the Japanese Government should negotiate with the United States in consideration of the Okinawans' wishes."

Some senior Okinawan officials say: "Assistant Secretary Nye might have wanted to preempt an upsurge in public opinion calling for a cutback of the bases. In that case, the Japanese Government should take care of the whole problem by coming up with steps to distribute the burden more appropriately in Japan." Others claim: "Nothing happens to efforts to cutback the bases because the Japanese Government pays for them with the 'omoiyari [sympathy]' allocations."

Murayama Not Taking Legal Procedures Over Bases

OW2710092195 Tokyo KYODO in English
0903 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Prime Minister Tomiichi Murayama is not considering taking legal procedures to break the impasse over the leasing of land to U.S. forces stationed in Okinawa, a government spokesman said Friday [27 October].

"The premier wishes to resolve the issue through dialogue," Chief Cabinet Secretary Koken Nosaka told a news conference.

The comment was intended to counter news reports that Murayama has relayed to the ruling coalition his intention to take legal measures if Okinawa Gov. Masahide Ota continues refusing to cooperate with the national government over the renewal of land leases.

Murayama is scheduled to meet Ota in Tokyo for four hours from 10 A.M. on Nov. 4 to try to break the current stalemate over the issue.

The Okinawa governor has refused to sign documents necessary for the continued forced use of land by U.S. forces since the rape of a 12-year-old schoolgirl in the southwestern island prefecture in September, for which three U.S. servicemen have been indicted.

Meanwhile, Defense Agency chief Seishiro Eto said earlier Friday he is considering a visit to Okinawa sometime after the premier's consultation with Ota.

Some 75 percent of all U.S. military facilities in Japan are located in Okinawa, which makes up a meager 0.6 percent of the nation's land area.

New Military Base Accord Submitted to Diet

OW2710134795 Tokyo KYODO in English
1302 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — The government of Prime Minister Tomiichi Murayama on Friday [27 October] submitted to the Diet a new Japan-United States accord on Japanese spending for U.S. military bases in Japan, officials said.

The government hopes to obtain Diet approval of the new accord by the Nov. 13 end of the current extraordinary Diet session, in time for U.S. President Bill Clinton's visit to Japan on Nov. 19-21, the officials said.

The new five-year accord will succeed the present one, under which Japan has subsidized the U.S. forces in its territory since 1991 and which is set to expire in March 1996.

By signing the new accord to be effective until March 2001, Japan will start shouldering the necessary costs for relocating U.S. military exercises due to reasons on the Japanese side.

The new accord will continue the present level of support for the U.S. bases, including paying part of the salaries of Japanese workers and certain utility expenses at the bases.

DA Chief Still Pondering Visit to Okinawa

OW2710063495 Tokyo KYODO in English
0514 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Defense Agency [DA] Director General Seishiro Eto said Friday [27 October] he is thinking of visiting Okinawa some time after Prime Minister Tomiichi Murayama's Nov. 4 meeting with Okinawa Gov. Masahide Ota.

Eto told reporters after the day's cabinet meeting that he also hopes to meet Ota and tour U.S. military bases in Okinawa, southwestern Japan.

Eto explained he will go if he receives an invitation from the prefecture to visit and observe Okinawa's situation and if the meeting between Murayama and Ota provides a start line for resolving the stalemate over the problem of leasing land for the bases.

The defense chief said he hopes to make the trip when it does not interfere with the Diet's meeting schedule, adding that he is thinking about making the

trip sometime before Murayama's meeting with U.S. President Bill Clinton on Nov. 20 in Tokyo.

A previous plan to send Eto to Okinawa was delayed after Noboru Hoshuyama, head of the Defense Facilities Administration Agency, resigned under fire for his criticism of Murayama's handling of the base issue.

During his meeting with Ota, Murayama is expected to try to resolve the impasse over Ota's refusal to sign documents needed to force unwilling local landowners to rent their land to the U.S. military.

The national and Okinawa prefectural governments have been at loggerheads over the continued forced rental of private land to U.S. armed forces in the island prefecture.

Island residents have stepped up their demands for a reduction of the U.S. military presence there since the rape of a schoolgirl in early September, for which three U.S. servicemen have been indicted.

Fuji Submits Rebuttal on Kodak's Claims

OW2710003095 Tokyo SANKEI SHIMBUN
in Japanese 25 Oct 95 Morning Edition p 12

[FBIS Translated Text] On 24 October Fuji Photo Film Co. submitted to the U.S. Trade Representative (USTR) its rebuttal to claims in a report submitted by Eastman Kodak Co. to the USTR saying "Japanese film prices are higher than those of Europe and the United States and this shows the closed nature of the Japanese market."

In its report, Fuji Film stresses that Kodak is distorting the facts, saying: "The price gap that Kodak insists exists is a fiction."

On 18 October Kodak submitted a report to the USTR claiming that Fuji Film's domination of the market should be changed to lower the prices.

Responding to Kodak's claim, Fuji Film said: "Kodak is choosing only those figures favorable to its own argument, and the comparisons it is making are invalid."

In its rebuttal, which incorporates a study of actual prices of films sold at stores and other detailed data, Fuji also complains about contradictions in Kodak's claim.

Editorial Demands Tokyo's Greater UN Leadership

OW2710042295 Tokyo MAINICHI SHIMBUN
in Japanese 24 Oct 95 Morning Edition p 5

[Editorial: "The Need To Take Peace Diplomacy Seriously"]

[FBIS Translated Text] Where has all the enthusiasm gone — the enthusiasm the government had in seeking a permanent seat on the UN Security Council [UNSC]?

A year ago, the government, with much fanfare, tried to enlist public support in its bid for permanent membership, as if there would be no more chances after the United Nations' 50th anniversary.

What has happened this year? Take Prime Minister Tomiichi Murayama's UN speech on 22 October for example. What he called for is simply "an expansion of the UNSC and its transparency." His was a dispassionate speech indeed.

No doubt this is partly because of Japan's current situation. The UN working group itself has made no progress on reform of the UNSC, let alone Japan's bid for permanent membership. "If the government and the people had cooperated with passion, it would have opened a way."

The Ministry of Foreign Affairs [MOFA] is now complaining about the mass media's indifferent attitude toward the government's bid for membership. So is this their fault? Was the idea of Japan obtaining a permanent seat only a dream even to begin with? Although Japan provides financial contributions to the United Nations, there is apprehension at home and abroad about whether it can fulfill its political and military responsibilities if it becomes a permanent UNSC member. There exists deep-rooted distrust of Japan, which has not made reparations for its pre-war and wartime aggression. On top of that, we cannot see the purpose of Tokyo's pursuit of a permanent seat.

We understand the difficult situation Japanese diplomats are in, considering their hardships and frustration in working for the United Nations. The UNSC is now regarded as, so to speak, a board of directors. These days the council holds an unofficial session almost every day. It must be tough for our diplomats to have to wait in a hallway waiting to chat to council members as they leave the session to get information. Japan makes the second largest financial contribution to the United Nations following the United States. Some of the permanent members, however, pay only 5 percent of what Japan pays. It is frustrating to be on the sidelines.

The fact is, however, this is a complaint shared by the 170 countries that are not UNSC members. What Japan should do is not to tackle this issue in isolation but to tackle reform of the United Nations as a whole, including the Security Council.

Although noting "the need to reform the UN system" in his UN speech, the prime minister did not offer any specific measures to be taken. From the speech, which was encrusted with ambiguous expressions, we can neither see what the government wants to do with the United Nations nor in the United Nations.

Japan's past UN diplomacy has been nothing for the government to brag about as it always acted as a pawn or supporter of the United States.

The United States is, of course, Japan's most important ally, so it is natural that the two countries often take concerted action. Ironically, this has resulted in Japan's flip-flop voting behavior in adopting various resolutions, even on the issues of nuclear weapons and disarmament.

"The only nation that has suffered atomic bombing." "Disarmament is its earnest prayer." When the occasion has demanded Japan has emphasized these phrases, but at other times it has also adopted an opportunistic attitude and played up to the United States. Ten years ago Japan efforts at UN administrative reform received a certain amount of acknowledgement. Now some countries feel Japan did it to simply cater to the United States.

We already know that if concerned nations are unwilling to cooperate, neither the establishment of non-nuclear zones nor disarmament will be achieved. Japan is entitled to take the initiative in these areas because all UNSC member nations are nuclear powers and exporters of weapons.

One good example is the arms transfer registry system adopted at the UN General Assembly [on Japan's initiative] four years ago. The government must further exert leadership to establish world peace. Only after that, will the new road eventually open up for Japan.

DPRK Official Said 'Secretly' Visiting Tokyo

OW2710144095 Tokyo SANKEI SHIMBUN
in Japanese 26 Oct 95 Morning Edition p 1

[FBIS Translated Text] It was revealed on 25 October that an official, who virtually heads North Korea's (DPRK) foreign strategy section, had secretly been visiting Japan. Officially, the purpose of his visit is to receive "medical treatment." However, pointing out that his section deals with terrorist activities and political maneuvering, a source in Tokyo familiar with Japan-DPRK relations said: "His visit may be to raise funds and manipulate Japan-DPRK talks on normalizing diplomatic relations."

Visiting Tokyo is 65-year-old Kang Chu-il, first vice director of the Workers Party of Korea's [WPK] Unification Front Department. He came to Japan via Beijing on 21 October and is currently staying at a first-class hotel in Tokyo. The purpose of his visit is reportedly to receive medical treatment. He plans to stay in Japan for about a month.

Kim Yong-sun, a WPK secretary, serves as director of the unification department. But because he is busy, Kang

virtually heads the department. The same source said Kang visits Japan every second or third year. In 1993, he stayed in Tokyo for about two months to undergo medical treatment. However, he went to a hospital just once. For the rest of the days he stayed at a hotel and met with executives of the General Association of Korean Residents in Japan, according to the source.

Even during the current visit, Kang has frequently changed his schedule and whereabouts in an apparent "feint operation," the source said.

Although Japan-DPRK relations had shown signs of improvements following Japan's rice aid and flood damage assistance, they have rapidly been worsening over Prime Minister Tomiichi Murayama's remarks at the Diet [on the prewar Japan-Korea Annexation Treaty]. Kang's visit to Japan is considered North Korea's strategy for gaining an advantageous position in normalization talks. Thus, the same source predicted "there is a high degree of possibility that Kang will carry out new maneuvers" during his stay in Japan.

MSA: PRC Boosting East China Sea Surveys

OW2710033595 Tokyo KYODO in English
0206 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — China is increasing "unauthorized" seabed resource surveys in the East China Sea, the Maritime Safety Agency [MSA] said in a report released Friday [27 October].

Japan claims jurisdiction over the Continental Shelf in the East China Sea, which is believed to hold oil deposits, and says it will not allow foreign countries to conduct maritime surveys there without permission, according to Foreign Ministry officials.

The agency's white paper on maritime affairs reported that China sent 15 survey ships to the East China Sea in 1994, while in the previous year China sent only two ships to the area.

The Maritime Safety Agency has also confirmed that China's 4,000-ton-class marine survey ship conducted a survey around Amami, Okinawa and Senkaku Islands in May and June this year.

A Japanese patrol boat sent a radio message to the Chinese ship demanding it stop its survey, but the ship ignored the request and continued the survey, agency officials said.

The Maritime Safety Agency is currently conducting surveys to identify areas of potentially resource-rich Continental Shelf in the East China Sea prior to Japan's

scheduled ratification of the UN Convention on the Law of the Sea next year, the officials said.

The UN convention stipulates a coastal nation has sovereign rights of resource survey and development over Continental Shelf from a coastline to 200 sea miles (some 370 kilometers).

Japan says the East China Sea's Continental Shelf continues from China to Japan, according to Foreign Ministry officials. Japan insists it has rights and interests on the eastern side of the middle line.

But China says it has rights to the entire Continental Shelf of the East China Sea, saying that the shelf is cut on the west side of Okinawa islands, according the Foreign Ministry officials.

The white paper also urges stepped-up preparations for disaster in the wake of the Jan. 17 great Hanshin earthquake, such as building a large-scale patrol boat with medical facilities and communication facilities.

The annual report also calls for improved links between police and the Maritime Safety Agency to create stricter gun control.

It said the agency confiscated nine pistols and 330 cartridges in a total of 11 gun smuggling cases last year.

Tokyo Grants Yen Loans to Albania, Pakistan

Albania: 1.68 Billion Yen

OW2610131195 Tokyo KYODO in English
0949 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Japan has offered Albania official a yen loan [as received] of up to 1.68 billion yen to help finance a project to repair hydroelectric power stations, the Foreign Ministry said Thursday [26 October].

Albanian Foreign Minister Alfred Serreqi and Japanese Ambassador to Austria Tsuyoshi Kurokawa exchanged notes on the aid in the Albanian capital of Tirana earlier in the day, the ministry said.

The Japanese aid will be used to improve five hydroelectric power stations in the country, which have not been repaired since they were built 20 to 30 years ago, it said.

The 30-year loan, with a grace period of 10 years, carries an annual interest rate of 2.6 percent.

Pakistan: 29.8 Billion Yen

OW2610134195 Tokyo KYODO in English
0924 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Japan has offered Pakistan an official loan of up to 29.8 billion yen to help finance four projects to beef up the transportation system and electricity supply in the country, the Foreign Ministry said Thursday [26 October].

Japanese and Pakistani government officials exchanged documents on the Japanese aid in Islamabad earlier in the day, the ministry said.

The loan will cover two projects to build and repair trains, a project to build a transformer substation, and another project to repair a marine survey vessel, it said.

The 30-year loan, with a grace period of 10 years, carries with it an annual interest rate of 2.3 percent.

Intention To Grant Yen Loans to PRC Firms Up

OW2610151195 Tokyo YOMIURI SHIMBUN
in Japanese 26 Oct 95 Morning Edition p 2

[FBIS Translated Text] On 25 October, a government source disclosed that the government has firmed up its intention to reach a cabinet decision by early November on a plan to extend to the PRC approximately 144.4 billion yen in loans. This amount is allocated for FY95, which is the final fiscal year in the third series of yen loan programs, among other economic cooperation programs the Japanese Government offers to China. Prime Minister Tomiichi Murayama will formally convey the government's intention to Chinese President Jiang Zemin at their summit to be held before or after the informal meeting of heads of Asia-Pacific Economic Cooperation (APEC) forum member countries scheduled for 19 November in Osaka.

The government source also disclosed that confirmation has been made through Western diplomatic channels that China plans to put off its next nuclear test, the third scheduled for this year, beyond the year.

Consequently, for its part, the government has decided to have a cabinet decision on the yen loans in consideration that there is no longer a barrier to prevent Japan from extending the loans to China.

In the six-year term of the third series of yen loan programs from 1990 to 1995 (totalling approximately 810 billion yen for 42 projects), the portion for the current fiscal year will cover the funding of 11 remaining projects, including the Beijing Airport improvement project, the Jiujiang Thermal Power Plant project in

Jiangxi Province, and a project to improve the water supply system in Xian city.

Following China's nuclear tests last May and August, the government decided to freeze all grants-in-aid (totalling 7.85 billion yen in FY94), excluding humanitarian aid, to China beyond the next fiscal year, unless China clarifies that it will halt nuclear tests.

Meanwhile, the government has continued to extend nongrants-in-aid (yen loans), which accounts for a major portion of Japanese aid to China, despite the nuclear tests.

An analysis of the international situation has led the government to judge that suspending yen loans to China "would set back China's policy of reform and opening up, cause domestic instability in China, and have adverse effects on Japanese-Chinese relations in general" (as stated by a government source). However, objections were raised to the government's policy in some quarters of the ruling parties. As a result, in late August, the government and the ruling parties agreed on possibly reviewing the yen loans to China, and at the same time, they decided this time to postpone extending the loans in September — as had been done previously — and has been watching China's moves ever since. However, the issue may reignite because there still remains the possibility that China will resume nuclear tests after next spring.

In case China resumes nuclear tests, the government plans not to resume grants-in-aid any sooner than after the signing of the Comprehensive Test Ban Treaty (CTBT) next year.

Agriculture Immunity From Liberalization Urged

OW2610082595 Tokyo KYODO in English
0759 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Prime Minister Tomiichi Murayama suggested Thursday [26 October] that Japanese agriculture should be immune from trade liberalization.

Murayama made the suggestion while speaking before the House of Representatives Budget Committee on guidelines for liberalization of trade and investment to be adopted at the Osaka meeting next month of the Asia-Pacific Economic Cooperation (APEC) forum.

He said some countries face difficulty in implementing early trade liberalization, adding there should be some "flexibility" in dealing with the issue.

Ryutaro Hashimoto, deputy prime minister and international trade and industry minister, also said it is up to

the World Trade Organization (WTO) to make a decision on legally binding trade liberalization measures, suggesting the APEC forum should not do so.

Australian Urges Ending APEC Farm Deadlock

OW2710005295 Tokyo KYODO in English
2320 GMT 26 Oct 95

[Fifth in a series on the Asia-Pacific Economic Cooperation, APEC, talks in Osaka by Edwina Pitkeahley]

[FBIS Transcribed Text] Sydney, Oct. 27 KYODO — The current disagreement over the exemption of agriculture from APEC market-opening plans can be solved, but it will probably take the political leaders to do it, Australian Trade Minister Bob McMullan says.

With the Osaka meeting of APEC just one month away, it is the principle of "comprehensiveness" — liberalization of all industry sectors and all trade barriers — that is proving the greatest stumbling block to freeing up trade in the Asia-Pacific region.

For farm-exporting countries like Australia, the clause in Japan's draft action agenda that says "sensitive sectors" may be treated differently, effectively exempting agriculture, simply does not fit into the APEC plan.

"The issue of most concern to Australia is the issue of comprehensiveness," McMullan said, "and we need a political input to resolve it."

Returning from a visit to Tokyo and Seoul, after talks with South Korean and Japanese ministers, McMullan said elements of a solution to the deadlock over comprehensiveness were already starting to emerge.

"In my discussions with (Japanese International Trade and Industry) Minister (Ryutaro) Hashimoto I was encouraged to believe that he also believes the elements of a solution are starting to emerge," he said in an interview in Canberra with KYODO NEWS SERVICE.

"I can't tell you much about it because it will only make it harder for them to be brought to reality."

McMullan clearly sees an outcome from Osaka that will be satisfactory to Australia, as he has made it clear that Australia will not back down on the comprehensiveness principle.

"It is inconceivable that an Australian prime minister could go to Osaka and come back having signed an agreement that said our major trading partners did not have to reform their agricultural markets while we had to reform all our markets," he said. "It seems an extraordinary thing to ask us to do."

In any case, more trade liberalization in agriculture in the region is inevitable, given the implementation of

current and future Uruguay Round commitments, he said.

The debate over comprehensiveness contrasts with the jubilation last year over the Bogor declaration, which committed the 18 APEC member economies to free and open trade and investment in the Asia-Pacific by 2010 for developed countries and 2020 for developing countries.

The concern for Australia at the Osaka summit is whether the desire of Japan, China, South Korea and Taiwan to appease their politically sensitive agricultural sectors will sabotage the whole APEC process. In a speech last month, Prime Minister Paul Keating said that such a move would paralyze APEC.

But McMullan is keen to play down the notion that it is Australia, the United States and Canada versus the four north Asian countries.

"These four countries are isolated and standing out against the view of the majority," he said. "Twelve members have already said they support comprehensiveness, and I expect the remaining two, Indonesia and Malaysia, to support it. The important thing for us is that these four countries realize that it is the majority view, not just Australia because we speak up the most."

McMullan said Australia does not want to intrude on Japan's role. "We have been very pleased with the role Japan has played as chair of APEC. The very core of leadership is overcoming difficult issues. We are looking to Japan to provide leadership in resolving this issue, and all the signs available to me are that they will do so."

But such optimism is not shared by Australian farmers. According to Donald McGauchie, president of the National Farmers' Federation, Japan's "weakness and failure to show leadership" opened the door to other countries, and, if anything, put pressure on others who would have shown greater strength otherwise.

"Any attempt to remove agriculture from (the APEC process) will, if not completely destroy the process, at least set it back a very long way, and will certainly do immense damage to Japan's credibility in the position of chair," he said.

"It is a very weak excuse for Japan to turn around now and say there are other countries supporting it. Japan led those countries, and that is the reprehensible part of Japan's leadership. They have been given the opportunity here to take a leadership role in the Pacific region and at the moment they are heading down the path of total failure," he said.

The farm group had earlier called for Keating to boycott the Osaka summit if Japan and other Asian nations succeeded in excluding agriculture, but its Deputy Director Robert Hadler said that since it is now up to the heads of government to break the log-jam, it is very important that the prime minister be there to represent Australia.

McGauchie said that although he would like the U.S. to phase out their export subsidies ahead of their year 2000 commitment under GATT, they are at least putting policy into practice — and they are strongly committed to comprehensiveness.

"All Japan is being asked to do is commit to a process over a 15-year period," he said.

"The tragedy is that Japan is not fronting up to a domestic issue and dealing with it on a domestic basis. They are trying to internationalize a domestic problem, at what is an astounding cost to their credibility internationally."

McGauchie said that free trade in the Asia-Pacific will bring greater living standards, economic growth and employment opportunities to all APEC members.

"All the opportunities are there for Japan to take advantage of this process in their national interest, and in the interest of the overwhelming majority of the Japanese people."

Envoy To Urge Mahathir's APEC Attendance
OW2610143995 Tokyo KYODO in English
1259 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — Tokyo plans to send a special envoy to Malaysia later this month to urge Malaysian Prime Minister Mohamed Mahathir to attend an informal summit of Asia-Pacific leaders slated for Nov. 19 in Osaka, government officials said Thursday [26 October].

Masajuro Shiokawa, chairman of the Executive Council of the Liberal Democratic Party (LDP), the major component in prime minister Tomiichi Murayama's three-party coalition government, was chosen for the task, since he is known to have good personal ties with Mahathir.

The talks will be held around Oct. 30-31, the officials said.

Mahathir, who is wary of U.S. dominance of the 18-member Asia-Pacific Economic Cooperation (APEC) forum and has been promoting his idea of an East Asian Economic Caucus that would exclude the United States and other Western nations, has not yet pledged his participation in the leaders' summit.

International Trade and Industry Minister Ryutaro Hashimoto, president of the LDP, was originally expected to discuss the matter with Mahathir during a trip to Malaysia from Nov. 3, but Mahathir has a busy schedule at that time.

Hong Kong Authorities Investigating Daiwa Branch
OW2710013495 Tokyo EKONOMISUTO in Japanese
24 Oct 95 p 25

[Article by Sakae Kitazawa: "Scoop — Ripples of Daiwa Bank Scandal; the Hong Kong Government Office Starts Inspecting Japanese Banks;" from "News Focus" column]

[FBIS Translated Text] According to related sources, in reaction to the financial scandal at Daiwa Bank's New York branch, the Hong Kong authorities have started inspecting Daiwa Bank's Hong Kong branch to ascertain the Japanese bank's method of raising operating funds.

In New York, where financial fraud by Daiwa Bank came to light, investigations and inspections are being conducted by the Federal Reserve Board, Federal Bureau of Investigation, and New York State Inspection Department. Meanwhile, in Tokyo and Osaka, the Ministry of Finance [MOF] and the Bank of Japan [BOJ] are also conducting separate investigations into Daiwa Bank. In this way, Daiwa Bank's financial fraud case is sending ripples throughout the international banking circles, as is apparent with the Hong Kong authorities beginning an inspection of Daiwa Bank's Hong Kong branch.

Japanese banks operating in Hong Kong, the biggest international financial center in Asia, are raising funds through offshore transactions and putting them into bond markets, including derivatives and U.S. national bonds. They are making those funds available to public works projects in developing countries in Asia. The Hong Kong authorities have begun investigations to ascertain "how Japanese banks are dealing with" obscure overseas Chinese capital, which has often been termed a "hotbed of iniquities."

Banks do not have to enter their offshore transactions on their balance sheets. For that reason, their offshore transactions are not made public. Although they are required to report the outcome of such dealings as derivatives, it is said that some banks submit false reports.

The amount of funds Japanese banks raised in Hong Kong has rapidly increased since 1993. In the case of major banks, the amount has expanded 100-200 million U.S. dollar a year. According to the Hong Kong

Financial Administration Bureau, which is equivalent to the central bank in other nations, in Hong Kong, where banks can enjoy free financial transactions, over 70 Japanese financial institutions have branches, more than those in Singapore, London, and New York.

It is said that the funds they raise through transactions include unreported money from business corporations, underground money such as from drug deals and vice racketeers, and bribes. In this sense, attention has been paid to the outcome of the Hong Kong authorities' inspection.

In the wake of the Daiwa Bank scandal, the "Japanese premium rate" has been applied to Eurodollars obtained in foreign markets by Japanese banks. If Daiwa's financial fraud case reveals possible illegal financial activities by other banks, it is inevitable that foreign banks will increase Japan's premium rates because of their distrust of Japanese banks and Japan's financial system. Therefore the cost of raising funds will increase while profits are reduced, and the Japanese banks' competitive power in the international market will further decline.

To prevent this, the city banks are conducting in-house inspections of their overseas branches and affiliated firms while making efforts to come up with measures to deal with the future situation. In particular, Fuji Bank, Ltd. is touchy about the situation partly because its act of covering a huge loss incurred by its exchange dealers came to light a few years ago, and because its stock prices temporarily plunged due to the foreign investors making an offer to sell on 20 October in the wake of rumors that the Fuji Bank "suffers a great loss" in the stock market.

On the other hand, the U.S. side is increasingly becoming distrustful of MOF's delay — which is responsible for supervising the banking institutions — in informing them of Daiwa Bank's wrongdoings and careless inspection systems. For that reason, MOF and the BOJ, as the supervising authorities, will be pressed by foreign nations to make public financial institution information and administrative information, and to develop concrete measures to drive away, as early as possible, the uncertainty about financial situations represented by the cases of debt-ridden housing loan corporations.

BOJ 'Will' Take Punitive Action Against Daiwa

OW2610131895 Tokyo KYODO in English
1017 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — The Bank of Japan (BOJ) will take punitive action against scandal-tainted Daiwa Bank, BOJ Governor Yasuo Matsushita said Thursday [26 October].

"The BOJ will take necessary steps, including punishment, against Daiwa Bank, based on results of the BOJ's special inspection now under way," Matsushita told a news conference.

Matsushita voiced regret over the trading scandal at Daiwa Bank and its handling of the incident.

"It is regrettable that Daiwa Bank's New York branch is increasingly suspected of having been involved in a cover-up of huge trading losses incurred by a trader at the branch," he said.

"Daiwa Bank should have responded to the issue more quickly and notified related authorities of the incident without delay," Matsushita said.

In late September, Daiwa Bank disclosed that a trader at its New York branch racked up 1.1 billion dollars in losses from treasury bond dealing over 11 years and forged documents to cover them up.

On the issue of bad loans at financial institutions, the major factor in receding international confidence in Japan's financial system, Matsushita stressed the need to study the possible introduction of taxpayers' money in the form of fiscal funds.

If public funds for disposal of collapsed institutions are used, however, the responsibility of management should first be clarified, he said.

Matsushita also addressed the need for the BOJ to set aside possible loan loss reserves for its unsecured special loans now being extended to collapsed institutions.

"Considering the loans are being provided on a noncollateral basis, it is necessary to set aside reserves for their possible default," he said.

On the Japanese economy, Matsushita said business sentiment has been improving, though the Japanese economy remains at a standstill.

"The pessimism which prevailed among companies in the past has been dwindling," Matsushita said.

The governor was meeting reporters following a meeting of BOJ branch managers in Tokyo on Monday and Tuesday.

He said most branch managers agreed that the economy has yet to come out of the doldrums.

Matsushita said that behind improving business sentiment are hopes for beneficial effects from recent fiscal and monetary policy measures, the correction of the yen's rise and a pickup in stock prices.

On the BOJ's monetary policy management for the time being, Matsushita said the central bank will maintain its

current easy credit policy. "There is no change in our monetary adjustment stance," he said.

Matsushita also said the central bank currently has no particular concern over escalating fund-raising costs among Japanese banks in overseas markets.

He was referring to the so-called "Japan premium" issue, or additional interest rates charged on foreign currency loans to Japanese banks amid dwindling global trust in Japan's financial system.

But Matsushita was cautious on the future, saying, "if the Japan premium widens and lasts for a long term, it will adversely affect Japanese banks' international operations."

Matsushita said the central bank will keep a close eye on fund-raising activities by Japanese banks on overseas markets.

"To eliminate the Japan premium, it is necessary for Japanese financial institutions to restore global confidence at an early date by disposing of nonperforming loans," Matsushita said.

On the money market, the BOJ chief said short-term interest rates are generally moving at levels desired by the central bank.

When the BOJ carried out the discount rate cut in early September, it clarified its policy of keeping money market rates below the discount rate of 0.5 percent.

In recent transactions, money market rates sometimes topped the discount rate, but Mieno said they are only temporary moves.

"Money market rates move depending on day-to-day fund demand, and there is no change in the BOJ's monetary adjustment stance," he said.

Matsushita tacitly admitted a reported agreement with the U.S. Federal Reserve Board on an emergency liquidity-infusing scheme for Japanese banks in case they face difficulties in raising funds in overseas markets.

"The BOJ is always keeping contact with the U.S. monetary authorities for close cooperation," he said.

But Matsushita declined to go into specifics about the issue.

The Bank of Japan and the Fed reportedly agreed that the U.S. central bank will provide the BOJ with billions of dollars almost instantly in exchange for its holdings of U.S. Treasury securities, in the event of a crisis at Japanese banks.

BOJ's 'Ample' Injection Keeps Yen Rate Stable

OW2710061795 Tokyo KYODO in English
0440 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Ample fund injection by the Bank of Japan (BOJ) managed to keep the Tokyo yen money market stable Friday morning [27 October], following a sharp fall the previous day, money brokers said.

In interbank trading, the key unsecured overnight call money rate was stable, standing at 0.44 percent, unchanged from Thursday's level, they said.

The central bank injected liquidity of 500 billion yen into the banking system by buying discount bills against a projected fund shortage for the day of 200 billion yen, according to the brokers.

"The surplus mount, larger than that in the previous day, is the same as market players had anticipated," a broker at long-term credit bank said.

On the open market, primary-market rates on three-month certificates of deposit (CDs) by major commercial banks failed to find buyers at an offered rate of 0.55 percent, the brokers said.

The Japan premium, the additional rate imposed on Japanese banks when they attempt to procure funds in international markets, is prompting the central bank to provide huge funds to the banking system, a broker at a long-term credit bank said.

The rate on the benchmark June contracts on three-month euroyen rate futures was quoted at 0.51 percent, unchanged from Thursday.

Emergency Steps To Curb Pork Imports Announced

OW2710063295 Tokyo KYODO in English
0319 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Japan will launch an emergency measure next Wednesday [1 November] to curb accelerating imports of pork under the Uruguay Round Global Trade Agreement, the government announced Friday.

"The step will help ease the adverse effects on domestic farmers of the pork import surge," said Agriculture, Forestry and Fisheries Minister Hosei Norota.

"There is no concern over a sharp rise in pork prices resulting from the import-curbing step, since inventories will stay at high levels," he said at a press conference.

Under the so-called "safeguard" measure, guaranteed by the Uruguay Round accord, the government will raise

the minimum import price of pork to 568.90 yen a kilogram, up 24 percent from the current 460.01 yen. The step will last until the end of next March.

The government in August launched a safeguard measure against a sharp rise in chilled beef imports.

In response to the safeguard step against pork imports, price hikes are expected in ham, sausage and other pork products.

But an official at a meat producer said it is uncertain whether the industry will be able to raise prices, considering retail prices are pegged at low levels.

According to figures released by the Finance Ministry on Friday, pork imports for the April-September period totaled 301,151 tons, up 25 percent from the average level of imports for the same period over the past three years.

The increase topped the 19 percent growth level, over which Japan is allowed to launch a safeguard against pork imports under the Uruguay Round agreement.

The accord calls for Japan to lower the minimum pork import price to 409.90 yen by the year 2000. However, it guarantees Japan can launch a safeguard against pork imports without the approval of other countries if the growth in imports surpasses the 19 percent mark.

Imported pork accounts for one-third of the Japanese market. Major pork exporters are Taiwan, Denmark, the United States and Canada.

Ministry Announces Easing Bidding Conditions

OW2710060595 Tokyo KYODO in English
0542 GMT 27 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — The Construction Ministry next month will ease the conditions for bidding on public works contracts to give a greater chance to smaller construction companies in future biddings, ministry officials said Friday [27 October].

The decision followed a sharp increase in public works investments under the second supplementary budget for fiscal 1995, the officials said.

The ministry last eased bidding requirements for public works contracts in July.

Government-backed organizations and local governments will also be asked to give small contractors a greater chance to win public works contracts, the officials said.

Ministry Readyng for Nokyo Reorganization

OW2610150995 Tokyo KYODO in English
1403 GMT 26 Oct 95

[FBIS Transcribed Text] Tokyo, Oct. 26 KYODO — The farm ministry said Thursday [26 October] it will reorganize itself with a view to the smooth restructuring of agricultural cooperatives (nokyo) in line with the Nov. 1 implementation of the new food control law.

Including establishment of a new task-force team for nokyo restructuring, the reorganization of the ministry will be the most drastic in 20 years, affecting about 20 sections and departments, ministry officials said.

It had been decided to restructure the nokyo organization, currently divided into a group for economic operations and another for financial, by the year 2000, but the plan made little progress, particularly in the financial group.

The Ministry of Agriculture, Forestry and Fisheries thus wants to push the program, especially now that a scheme for resolving the financial problems of eight housing loan companies is expected to be mapped out by the end of this year, the officials said.

A settlement of the housing firm problem is expected to increase the need for restructuring agricultural financial institutions, as they are the largest creditors of the housing lenders.

In line with a settlement, the ministry plans to submit next year an amendment to the law regarding Norinchukin Bank, the central cooperative bank for agriculture and forestry, the officials added.

Ex-Official Suspected of Investing in Arms Trade

OW2410130095 Tokyo KYODO in English
1239 GMT 24 Oct 95

[FBIS Transcribed Text] Sapporo, Oct. 24 KYODO — A former regional chief of the ruling coalition partner Social Democratic Party's (SDP) [of Japan; SDPJ] newspaper invested 60 million yen in the international arms trade, sources familiar with the case said Tuesday [24 October].

Yasushi Nikaido, 45, former head of the Hokkaido bureau of SHAKAI SHIMPO, an organ of Prime Minister Tomiichi Murayama's party, has been arrested on suspicion of swindling a lawyer of 370 million yen. Prosecutors plan to indict him Wednesday on fraud charges.

Police suspect Nikaido may have used part of the money to invest in the arms trade.

Nikaido allegedly took part since around 1989 in an arms trade brokerage agency designed by his acquaintances, including a former trading company executive, the sources said.

At first he joined the business as a go-between in sales of U.S. bulletproof vests and then of Soviet-made arms, both to the Philippine military, they said.

In October 1993, he was thought to have been a mediator in arms trade between the Philippine military and Russia, but the deal has not been concluded, they said.

Sakigake Reluctant To Join Proposed New Party

*OW2710005195 Tokyo KYODO in English
2354 GMT 26 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Finance Minister Masayoshi Takemura, head of new party Sakigake [Harbinger], the smallest coalition partner, expressed reluctance Thursday [26 October] to join Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) in forming a new liberal party, coalition officials said.

In a meeting at the Prime Minister's Official Residence with Murayama, the SDP's head, and Takemura, SDP Secretary General Wataru Kubo urged Takemura to join a committee to set up the new party. Kubo noted the need to establish a proposed new party by Nov. 15 at the latest, the officials said.

But Takemura was quoted as saying, "we cannot have such consultations with the SDP right now. It will take at least until the end of the year to discuss the matter within the party."

Yukio Hatoyama, Sakigake's secretary general, also participated in the meeting.

After the meeting Kubo gave a more optimistic account of their talks, telling reporters "we agreed on the necessity of gathering together in order to establish a new political force. However, differences remain over the timing of setting up a proposed party and positions in a new party."

On Wednesday, Hatoyama told a meeting of the party Executive Council that there is no plan at the moment for Sakigake to join forces with the SDP to form a new party. He denied reports that Takemura will lead the new party planned by the SDP.

The SDP, a member of the ruling coalition along with Sakigake and the Liberal Democratic Party, is planning to dissolve itself and launch a new party with other "liberal" Diet groups.

The SDP is scheduled to discuss whether the party should set up a new political bloc without Sakigake at an extraordinary meeting of its leadership body, the central executive committee.

SDPJ Panel Split Over Forming New Party

*OW2710065895 Tokyo KYODO in English
0629 GMT 27 Oct 95*

[FBIS Transcribed Text] Tokyo, Oct. 27 KYODO — Prime Minister Tomiichi Murayama's Social Democratic Party (SDP) delayed until Tuesday [31 October] its decision on whether to proceed alone in launching a new party, now that it knows its coalition partner New Party Sakigake [Harbinger] will not join the new party in the foreseeable future, party officials said Friday.

The SDP's central executive committee failed to reach a conclusion in its special meeting Thursday on whether or not to create the planned new party without the participation of other Diet blocs, the officials said.

The committee decided to hold another meeting Tuesday to continue the debate. The meeting was initially scheduled for Monday, but the date was changed later due to extra time required for coordination of views among committee members, party sources said.

The SDP has already set late October as the deadline for disbanding itself and inaugurating a new liberal party with other center-to-left parliamentary groups to form a "third pole" on the Japanese political scene.

But its plan hit a snag after Sakigake made it clear it has no intention to join the SDP anytime soon.

Sakigake head and Finance Minister Masayoshi Takemura expressed reluctance Thursday to join the SDP in forming a new liberal party.

The SDP, Sakigake and the conservative Liberal Democratic Party make up the ruling coalition.

The SDP committee urged the party leadership to make a clear-cut policy on the issue in talks with Murayama.

SDP Secretary General Wataru Kubo is pressing for an early start of the new party, but some SDP lawmakers are skeptical about going alone on the project, arguing the plan should be delayed to rally support from as many Diet groups as possible.

Murayama also sounded cautious Friday about the SDP forming a new party by itself, saying that only changing the signboard would be meaningless.

Tokyo 'Freely' Allowed Nuclear Ship Port Calls*OW2710111895 Tokyo KYODO in English**1010 GMT 27 Oct 95*

[By Mikio Haruna and Kohei Murayama]

[FBIS Transcribed Text] Washington, Oct. 27 KYODO

— The Japanese Government has been freely allowing the transit and port calls of nuclear-loaded U.S. ships without checking, due to a secret promise to respect the U.S. Navy's policy of "neither confirming nor denying" (NCND), it has been learned from a U.S. diplomatic document and a former senior U.S. official.

This is the first time that the widely suspected nuclear transits and port calls and existence of the secret promise has been confirmed in official form.

The Japanese Government has been taking the official stance that Japan will not allow ships carrying nuclear weapons to transit Japanese waters or call at Japanese ports without prior notification and consultation with the United States.

However, the U.S. State Department document says, "the (Japanese) government...has stressed the importance of strictly maintaining NCND," in proving that in fact no prior consultations have been conducted.

The former senior U.S. Administration official, who is well informed on the bilateral negotiations for revising the security pact in 1960, told KYODO NEWS SERVICE that then Japanese Prime Minister Nobusuke Kishi and then U.S. President Dwight Eisenhower exchanged a secret document in which Japan promised to respect the NCND policy.

According to the official record, Kishi and then U.S. Secretary of State Christian Herter signed a provision under the revised treaty that required prior consultations for transit and port calls by U.S. ships loaded with nuclear arms.

The Japanese Government has subsequently been maintaining that the U.S. side is living up to its obligations under the provision since the U.S. has never requested prior consultations.

However, the State Department document and the former official's comments indicate that the Japanese Government, led by the Foreign Ministry, has skillfully worked a loophole in the security treaty to allow unhindered transit and port calls by merging the provision on prior consultations with the secret promise to respect the NCND policy.

The newly released document is a one-page "night note" that cleared through three senior officials, including then acting Assistant Secretary of State William Clark, and

was sent on May 15, 1989 to then Secretary of State James Baker.

It reported on the Japanese situation in connection with the loss of a nuclear weapon in 1965 which had itself been exposed through a U.S. Navy document obtained by Greenpeace, the international environmental group.

Declassified by the State Department, the note relating to Japan was also obtained by Greenpeace which provided it to KYODO NEWS SERVICE.

In the 1965 incident, a nuclear-strike Skyhawk warplane loaded with a hydrogen bomb accidentally fell off the U.S. aircraft carrier Ticonderoga and sank on Dec. 5. The carrier called at the Yokosuka Naval Port in Japan two days later.

Later press comments by former crew members fueled allegations that the carrier had been in Yokosuka loaded with nuclear weapons.

"Publicity about the 1965 loss of a U.S. Navy aircraft and H-bomb 80 miles from a Japanese island east of Okinawa has generated intense concern in Japan and a fair amount of U.S. press coverage," the declassified note says.

"The fact that the aircraft carrier docked at Yokosuka, Japan two days later has fueled allegations that the U.S. nuclear-capable ships routinely 'ignore' Japan's policy on nuclear transit," it says.

But the note also says, "we have given the Japanese Government further details of the accident, along with our assessment of the environment impact (no harm) for its use in the Diet."

"The government is very appreciative for the added information and has stressed the importance of strictly maintaining NCND," the note says.

A U.S. Government source who is well informed on the situation at the time said the position outlined in the note was Japan's official policy, which was reconfirmed through the Japanese embassy in Washington or the U.S. embassy in Tokyo.

As in the case of some other nations which have faced problems over the U.S. NCND policy, the practice raises the question as to whether the Japanese Government is truly pursuing its three nonnuclear principles or continuing to act in line with the secret promise made to the U.S.

The three nonnuclear principles — no possession, no development and no introduction of nuclear weapons — were first advocated in 1967 by then Prime Minister Eisaku Sato and later adopted by a resolution of the House of Representatives in 1971.

The U.S. reportedly created the NCND policy to cope with anti-U.S. movements in ally nations.

But some allies like New Zealand and Denmark have changed their stance on the U.S. policy in the face of escalating antinuclear movements since the 1980s.

New Zealand prohibits calls to its ports by nuclear-carrying ships under an antinuclear law enacted in 1987, leading the U.S. to suspend its defense commitments there.

Denmark has adopted a position of not permitting port calls under the NCND policy, although the nuclear issue still divides the country.

The State Department declassified the note involving Japan since there is no meaning in keeping it confidential now that the U.S. defense policy calls for no deployment of nuclear weapons aboard ships, aircraft or tactical submarines following an announcement in 1991 by then President George Bush, a U.S. State Department source said.

Also, past comments by U.S. officials, including those by former U.S. Ambassador to Japan Edwin O. Reischauer in 1981, are apparently considered by the U.S. as making it a largely open secret that Japan has not been following its third nonnuclear principle of "no introduction."

Reischauer said that an oral agreement was reached with Japan to allow port calls by U.S. nuclear-loaded ships during the negotiations for the 1960 security pact revision.

But for Japan, the issue remains sensitive, as the U.S. is still expected to deploy nuclear arms on ships in cases of emergency.

In fact, the U.S. still maintains that "while it is U.S. policy not to deploy nuclear weapons aboard ships, aircraft or tactical submarines, we do not discuss the presence or absence of nuclear weapons aboard specific platforms," a Navy spokesman said.

Editorial on Nuclear Energy Development

OW2610144495 Tokyo MAINICHI SHIMBUN
in Japanese 25 Oct 95 Morning Edition p 5

[Editorial: "Did AEC Face Severe Situation Squarely?"]

[FBIS Translated Text] The number two reactor at Tohoku Electric Power Company's Onagawa Nuclear Plant started to generate electricity in July of this year, increasing the number of Japanese commercial nuclear reactors, including the prototype advanced thermal reactor "Fugen," to 50. Japan is certainly a major power as far as the number of commercial nuclear reactors is

concerned. In August, "Monju," a prototype fast breeder reactor which is said to produce more fuel than it consumes, successfully generated electricity for the first time.

This is a banner year for Japan in terms of promoting nuclear energy development. However, construction of a demonstration reactor that was in the stage between prototype and commercial reactor was suspended in August. It turned out that "Fugen's" success cannot be used for commercial reactors.

In April, permission was denied for a ship transporting high-level radioactive waste from France, to enter Ogawara Port, the ship's destination in Aomori Prefecture. It showed once again that nuclear power plants are in a state tantamount to an "apartment without a toilet."

It seems that the great Hanshin earthquake which occurred in January implanted a fear in people's minds, making them ask: "Can nuclear power plants really withstand big earthquakes?" "Is it safe to construct so many nuclear plants in this earthquake-prone country?"

The Atomic Energy Commission [AEC] (chaired by Yasuoki Urano, director general of the Science and Technology Agency) took this situation into consideration when it published this year's white paper on nuclear energy on 24 October.

On the withdrawal from the project to construct an advanced thermal reactor, which would have provided a chance to develop technology for the development of a fast breeder reactor, the white paper says: "although it is unfortunate that we could not make practical use of the results of our research and development, we will seriously reconsider the particulars that led us to review [the project]."

The AEC did not review the advanced thermal reactor plan when it revised a long-term plan for the utilization of nuclear energy development last summer. However, the Federation of Electric Power Companies made a request in July this year for giving up the construction of the demonstration reactor, saying: "Construction expenses for the advanced thermal demonstration reactor increased, and the cost of generating electricity from it will become more expensive." The AEC simply approved this plan.

It is obvious that the AEC's outlook was superficially optimistic. The AEC should not just reflect on this, but should also clarify its responsibilities. The AEC is confident about developing fast breeder reactor, which is said to be the mainstream reactor of the future. But fast breeder reactors are technically difficult to develop, and the AEC is also confronted with economic issues. Reflecting on the lesson learned from the abandonment

of the advanced thermal reactor construction, the AEC should strictly examine a plan for the development of a fast breeder reactor.

Japan plans to actively promote the utilization of plutonium as fuel for fast breeder and light-water reactors. Since plutonium can be used for nuclear weapons, however, some countries are criticizing Japan, saying: "Japan is planning to arm itself with nuclear weapons." The white paper's disclosure of how Japan stores its plutonium is not enough to gain understanding from the international community. Is it not about time for Japan to study the possibility of not using plutonium?

On the disposal of high-level radioactive waste, the white paper stresses the importance of forming a national consensus, saying: "It is an important task we cannot avoid for the development of nuclear energy." The government plans to dispose of high-level radioactive wastes several hundred meters under the ground. But it is necessary to confirm the safety of the underground disposal and to sincerely buckle down to this issue.

Circumstances are not favorable for nuclear energy development because, among other things, the price of oil is currently low. The white paper also explices a view, saying: "People still cannot get over their distrust and their sense of anxiety about nuclear energy." "The pace of placing orders [for construction of nuclear plants] has dropped and industrial circles continue to have a tough time."

The government and electric power companies need to further strengthen their efforts to gain the public's understanding by changing the practice of hiding information. Otherwise, we cannot expect any positive changes in the nuclear energy situation.

North Korea

Joint 'Foal Eagle 95' War Exercises' Denounced

SK2710052595 Pyongyang KCNA in English
0500 GMT 27 Oct 95

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — The U.S. imperialists and the South Korean puppets on October 24 and 25 staged a large-scale joint aerial war game against the North within the framework of the aggressive "Foal Eagle 95" war exercises, according to military sources.

A military exercise was staged in the skies huge Anmyon and Oeyon Islets of South Korea with the purpose of a surprise preemptive strike at the northern half of Korea with mobilisation of flying corps of the Navy and Air Force of the U.S. imperialists and the

puppet Air Force. Over 850 fighter planes from U.S. overseas bases and belonging to the U.S. Seventh Air Force and the puppet Air Force are involved in the gamble.

On the same days warship groups of the Navy of the U.S. imperialists and the puppet Navy staged a joint naval attack operation exercise with the support of about 100 planes of the U.S. Air Force and the puppet Air Force on the East Sea off Samchok of South Korea, and formations of large transport planes held an operation exercise for airlifting "commandos" intended to infiltrate into the depth of the northern half of Korea in the sky above the Munsan area, Kyonggi Province. On the 23rd, an overseas-based RC-135 strategic reconnaissance plane committed an electronic reconnaissance on the whole area of the North, lying over the area along the Military Demarcation Line. And nearly 17 high-altitude strategic reconnaissance planes and tactical reconnaissance planes flew over the area along the Military Demarcation Line day and night on an espionage mission against the northern half of Korea on October 24 and 25.

ROK's 'Joint Tactical Exercises' Criticized

SK2710101695 Pyongyang KCNA in English
1009 GMT 27 Oct 95

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — South Korean warmaniacs have called out the Metropolitan Army Corps of the puppet ground force to stage one more frantic manoeuvres in Inchon and southwestern area of Kyonggi Province, which is timed to coincide with the on-going manoeuvres dubbed Foal Eagle 95 and Hwarang, a Seoul-based radio reports.

Involved in what they call "joint tactical exercises" which will last October 27 are more than 30,000 troops of the puppet three services, some 170,000 troops of "reserve forces," about 6,000 policemen, some 200,000 all told, and about 1,000 combat equipment of various kinds, including tanks and armoured cars.

The anti-DPRK manoeuvres the Kim Yong-sam group are staging one after another in league with the U.S. imperialists under various signboards are indicative of what desperate efforts they make in a bid to unleash a war on the Korean peninsula, driving inter-Korean relations into the phase of confrontation.

The South Korean puppets should ponder over the consequences of their wildcat war gamble and act with discretion.

ROK Allegations About 'Spies' Said Fabrication

*SK2710120995 Pyongyang KCNA in English
1152 GMT 27 Oct 95*

[*"Anti-communist Smear Campaign Will Lead to Self-destruction" — KCNA headline*]

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — The South Korean authorities are these days concocting shocking cases against North Korea in an effort to find a way out of the growing political crisis.

The truth behind the "case of infiltration of an armed spy" fabricated by them on the Military Demarcation Line some time ago was brought to light. On October 24, seven days after the drama, the South Korean puppets faked up another case of "spies dispatched to the South" and are now making a fuss with it. The puppet prime minister called a "meeting of ministers concerned" and issued a "statement toward North Korea."

According to their allegation, two "spies" were dispatched to recall a "stationary spy," so 30,000 police and 800 paratroopers of four battalions were waiting in ambush near the Chonggak temple in Puyo County, South Chungchong Province, on October 24 in order to arrest them. After a gunfight, one of them was arrested on the spot and the other was also arrested three days later.

The South Korean puppets are making preposterous allegations. They said they could not know anything about the "arrested spy" because he "exercised the right of silence" and, on the other hand, they published his position, his name, the "purpose and background of southward infiltration," the "course of infiltration," "rendezvous" and other details. It is self-evident that it is a false drama.

They announced that at least 133 items of 40 kinds of personal belongings were confiscated from the "spy," whose assignment was to recall a "stationary spy." It is out of common sense that a "spy," to whom stealth and swiftness are vital, should take with him so many items of personal belongings in such a horrible land as South Korea.

They alleged that the day after his "arrest" they were conducted by him up to a grave near a mineral spring resort in the Pundang central park in Kyonggi Province and found out a transmitter and a table of sampling numbers from a hiding place. If it is true, how could they know the hiding place while he was exercising the right of silence and how could the "spy" who was arrested unconscious after shedding much blood conduct police the next day?

Lurking behind the drama is a sinister intention of the Kim Yong-sam group to bridge the serious ruling crisis through a false shocking case.

The Kim Yong-sam group are totally forsaken by the people as their criminal attempts to defend the murderers of the Kwangju incident and do without an investigation into the scandal of more than 500 billion won of secret fund have been brought to light, in addition to their own fascist and treacherous acts.

The traitor Kim Yong-sam could become "president" as he received a colossal amount of political fund from No Tae-u and won "support" from the United States and the "Sixth Republic." It is self-evident that Kim Yong-sam can never save the crisis caused by the Kwangju bloodbath committed under the U.S. patronage, No Tae-u's secret fund scandal and factional feud in the "Democratic Liberal Party."

The Kim Yong-sam group, therefore, needed a "shocking case" to lull the South Korean people's fighting spirit for independence from the U.S. and for democracy against fascism and divert the attention of the people and politicians elsewhere.

That is one of the main purposes of the "case of spies dispatched to the South" fabricated by the Kim Yong-sam group.

Another purpose is to shift on to the North the blame for the inter-Korean relations they have driven to a phase of total confrontation, justify their war rackets against the North and keep to the road of treachery.

False drama will precipitate their own destruction.

The Kim Yong-sam group will get nothing but disgraceful destruction from their anti-DPRK smear campaign.

South Korean Defector Welcomed in Pyongyang

*SK2610151095 Pyongyang KCNA in English
1508 GMT 26 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 26 (KCNA) — Pyongyangites met at the April 25 House of Culture on Thursday to warmly welcome Han Hyosu, a former non-commissioned officer of the South Korean puppet army who defected to the northern half of Korea some time ago.

The defector, 24, who was a sergeant first class and deputy leader of the 4th Platoon, the 3rd Company of the Search Battalion of the 25th Division of the South Korean puppet army, recently came over to the northern half of Korea across the Military Demarcation Line.

At the meeting a gift sent by Comrade Kim Chong-il, supreme commander of the Korean People's Army, was

conveyed to him. An order of the DPRK as well as a prize and souvenirs were given to him.

Vice-chairman Sin An-pang of the Pyongyang municipal Administrative and Economic Committee, addressing the meeting warmly welcomed, in the name of the Pyongyangites, Han Hyo-su, who defected to the northern half of Korea with deepest reverence for the great leader General Kim Chong-il, parting with the life in a colony of the U.S. imperialists.

Han Hyo-su in his reply said that South Korean society is a place in which a man cannot live, troubled with misfortunes, while the society of North Korea is an earthly paradise for the people.

The noble traits of the unity between officers and men and the army-people unity with which they trust and follow each other as real parents and sons and daughters made him realise what an army which is serving the people in the true sense of the word is like, the speaker said, and continued:

The celebrations which were held in the presence of the great General Kim Chong-il to celebrate the 50th anniversary of the Workers' Party of Korea were a great demonstration of the singlehearted unity the like of which cannot be found anywhere in the world.

The best socialist paradise where the people lead a happy life, the great national strength, the powerful People's Army, the dignity of chuche Korea which shines throughout the world and the bright future of a reunified country are attributable to the great leader General Kim Chong-il, who always finds himself among the people and breaths the same breath with them.

He vowed to devote his all to the struggle for bringing earlier the day when the great general will stand on the rostrum of reunification.

ROK 'Fascist Outrage' Against Unions Viewed

SK2210104295 Pyongyang KCNA in English
1021 GMT 22 Oct 95

[*"Another Outrage by Fascists"* — KCNA headline]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — The Kim Yong-sam group of South Korea have issued an order to arrest leading members of the Preparatory Committee of the General Federation of Democratic Trade Unions (Minju Nochong) in a bid to prevent its inauguration.

NODONG SINMUN today views this as another fascist outrage to hold in check the righteous action of the workers against the "government"-controlled "Federation of Trade Unions" and for the formation of an independent and democratic organization.

In a commentary the paper says the order indicates that the Kim Yong-sam group are trying to harshly crack down on the South Korean workers' action for their vital rights, democracy and national reunification.

It further says:

The formation of Minju Nochong is a vital demand of the South Korean workers. They will form an independent organization without fail in defiance of the harsh suppression and obstructions by the fascist clique.

If the Kim Yong-sam group are not to be punished by the angry workers, they must promptly stop the suppression of the leading members of the Minju Nochong Preparatory Committee.

Chongnyon Statements Urge Release of Students

SK2510113495 Pyongyang KCNA in English
1003 GMT 25 Oct 95

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — Organisations and officials of the General Association of Korean Residents in Japan [Chongnyon] in statements denounced the South Korean authorities for having arrested students Chong Min-chu and Yi Hye-chong and Mrs. Pak Yong-kil for the mere reason that they had visited the DPRK.

The League of Korean Students Studying at Japanese Schools in a statement October 21 urged the Kim Yong-sam fascist clique to release them unconditionally and immediately. They branded the unreasonable arrest of the girl students, "birds of reunification," as a never-to-be-condoned crime.

Yu Kwang-su, chairman of the Korean Human Rights Association in Japan, in a statement said the South Korean rulers' fascist persecution of Pak Yong-kil shows they are a group of degenerates who are indifferent to morality, courtesy, national reconciliation and reunification.

"We strongly urge the South Korean rulers to release Pak Yong-kil unconditionally and immediately and abolish the anti-reunification fascist 'National Security Law' without delay," he said.

Chong Chang-sop, vice-chairman of the Association of Korean Buddhists in Japan, said: "We Buddhists cannot remain an onlooker to the persecution of Pak Yong-kil, who is suffering from a serious illness. We strongly demand the South Korean authorities immediately stop persecuting her and release her at once."

Japan-Korean Friendship, Cultural Festival Opens
SK2310141295 Pyongyang KCNA in English
1004 GMT 23 Oct 95

[FBIS Transcribed Text] Tokyo, October 21 (KNS-KCNA) — An art exhibition on Korean history and a Mt. Paektu photo show were opened at the Kyoto art gallery, Japan, on October 11 as the first ceremonies of the Japan-Korea friendship and cultural festival.

The ceremonies took place under the sponsorship of the executive committee with honorary professor Azuma Okuta, former president of Kyoto University, as director, and professor Kojo Mizutani, former president of Buddhist University, as chairman, on the occasion of the 50th anniversary of Korea's liberation.

On display there were sculptures and mural paintings of ancient tombs in the period of Koguryo, mural paintings and ceramics in the period of Koryo and Yi Dynasties, Korean paintings depicting modern Korea and photos of Mt. Paektu.

Addressing the opening ceremony, Hajimeru Mitsuda, honorary professor of Kyoto University, said that there are many people who have no idea of the real situation of Korea. It is happy for us to have a chance to see the historical changes and reality of Korea at this exhibition hall, he noted.

Korean Christian Federation Delegation Returns
SK2310015295 Pyongyang Korean Central Broadcasting Network in Korean
1100 GMT 20 Oct 95

[FBIS Translated Text] The Korean Christian Federation delegation led by the Central Committee of its Chairman Kang Yong-sop returned home on 20 October by train after visiting Japan. Yi Chon-min, secretary of the Korean Christian Federation Central Committee, welcomed the delegation at Pyongyang Station.

Japanese Delegates, Home-Visiting Groups Arrive
SK2310054295 Pyongyang KCNA in English
0417 GMT 23 Oct 95

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — A delegation of Korean Officials of Science and Technology in Japan, a delegation of athletes of the General Association of Korean Residents in Japan (Chongnyon), home-visiting groups of Korean students in Japan and the 248th short-term home-visiting group of Korean compatriots in Japan arrived in Wonsan on October 21 by the ship "Mangyongbong-92" to visit the socialist homeland.

Former Chinese People's Volunteers Arrive
SK2110233095 Pyongyang KCNA in English
1510 GMT 21 Oct 95

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA) — A delegation of former Chinese People's Volunteers led by Colonel General Shi Yuxiao, political commissar of the Guangzhou Military District of the Chinese People's Liberation Army, arrived here today.

The delegation was greeted at the airport by Kim Kwang-chin, first vice-minister of the People's Armed Forces, officials concerned and the Chinese Ambassador to Korea Qiao Zonghuai.

A Chinese famous artistes' group also arrived here on Saturday.

Attend Reception in Their Honor
SK2410050895 Pyongyang KCNA in English
0459 GMT 24 Oct 95

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The Ministry of the People's Armed Forces on October 22 hosted a reception in honor of the delegation of the former Chinese People's Volunteers on [CPV] a visit to Korea on the occasion of the 45th anniversary of the CPV's entry into the Korean war.

Invited there were the members of the delegation led by Colonel General Shi Yuxiao, political commissar of the Guangzhou Military District of the Chinese People's Liberation Army, and Qiao Zonghuai, Chinese ambassador to Korea.

Present there were Kim Kwang-chin, first vice-minister of the People's Armed Forces, Choe U-chin, vice-minister of foreign affairs, Sin An-pang, vice-chairman of the Pyongyang Municipal Administrative and Economic Committee, and other officials concerned.

Speeches were made at the reception.

Anniversary of Entry of CPV Into War Marked
SK2310053895 Pyongyang KCNA in English
0434 GMT 23 Oct 95

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — The North Hamgyong provincial committee of the Workers' Party of Korea [WPK], People's Committee and Administrative and Economic Committee gave a party on Oct. 22 on the occasion of the 45th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean war.

Invited there were Chinese Consul General in Chongjin Zhang Yuanwei and officials of the consulate general.

Present were chief secretary of the North Hamgyong Provincial Committee of the WPK and chairman of the Provincial People's Committee Yi Kun-mo, chairman of the Provincial Administrative and Economic Committee Kim Chong-il and other officials concerned.

Speeches were made at the party.

DPRK, PRC Artistes Give Joint Performance

*SK2510052795 Pyongyang KCNA in English
0452 GMT 25 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — Korean and Chinese artistes gave a joint performance in Pyongyang on Oct. 24. It showed well that Korea-China friendship provided by the great leader President Kim Il-song and the Chinese revolutionaries of the old generation Comrade Mao Zedong and Comrade Zhou Enlai is kept in fuller bloom and is being carried forward.

Chinese famous artistes sang the Chinese people's favorite songs and Korean songs.

Artistes of the two countries sang together the Korean song "Our General Is Best" and the Chinese song "Party, Beloved Mother," acclaimed by the audience.

Chorus of Korean and Chinese artistes "Song of Chinese People's Volunteers" left deep impressions on the audience.

The performance ended with the song "Korea-China Friendship Will Be Everlasting" sung by artistes of the two countries against the background of the Arch of Triumph and the Tiananmen in the sea of flowers projected.

Embassy in Russia Hosts Banquet on Anniversary

*SK2310014895 Pyongyang Korean Central Broadcasting Network in Korean
0100 GMT 20 Oct 95*

[FBIS Translated Text] A banquet was arranged at the DPRK Embassy in Russia on 12 October to mark the 47th anniversary of the establishment of diplomatic relations between the DPRK and the Russian Federation.

Portraits of the great leader Comrade Kim Il-song and the great leader [yongdoja] Comrade Kim Chong-il were placed in front of the banquet place. Functionaries of the Russian Federation Foreign Ministry including Deputy Foreign Minister (Poskal), and the chairman of the Central Council of Russian Cooperation of Friendship and Cultural Cooperation With the DPRK, were invited to the banquet.

Leningrad Youth Committee for Solidarity Formed

*SK2210103095 Pyongyang KCNA in English
1013 GMT 22 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — A Leningrad Youth Committee for Solidarity With the Democratic People's Republic on Korea was inaugurated at the initiative of the Leningrad City Committee of the All-Union Bolshevik Youth Vanguard.

A resolution was adopted at the inaugural meeting.

It raised it as the tasks of the committee to collect and disseminate correct materials on the achievements made by the Korean people in socialist construction under the leadership of Comrade Kim Chong-il and on the peace-loving policies of the DPRK and widely explain and propagandize the essence of the chuché idea, the guiding idea of the Korean revolution and socialist construction.

The committee will study and disseminate the works of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il, the resolution stressed.

Thai Party, UN Humanitarian Delegations Arrive

*SK2410235895 Pyongyang KCNA in English
2236 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — A friendship visiting group of the Seritham Party of Thailand led by Thaveesak Phonsudga, member of its Executive Committee, and a cooperation delegation of the UN Humanitarian Affairs Bureau arrived here today.

Lao Party Delegation Meets With Hwang Chang-yop

*SK2110230795 Pyongyang KCNA in English
1508 GMT 21 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA) — A delegation of the Control Commission of the Central Committee [C.C.] of the Lao People's Revolutionary Party led by Maichantan Sengmani, member of the Political Bureau of the C.C., the Lao People's Revolutionary Party and head of the central party-state Control Commission, arrived here today.

It was greeted at the airport by Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, and others.

Receives Gift for Kim Chong-il

*SK2410115195 Pyongyang KCNA in English
1041 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The great leader Comrade Kim Chong-il received a gift from Maichantan Sengmani, Politburo member of the Central Committee of the Lao People's Revolutionary Party and head of the Central Party-State Control Commission, on a visit to Korea.

Maichantan Sengmani handed the gift to secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop.

Holds Talks With WPK Delegation

*SK2310050795 Pyongyang KCNA in English
0415 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — A delegation of the Workers' Party of Korea [WPK] held talks with a delegation of the Control Commission of the Central Committee of the Lao People's Revolutionary Party [LPRP] in Pyongyang on October 22.

Present at the talks on the WPK side were Hwang Chang-yop, secretary of the WPK Central Committee, Kim Yang-kon, deputy department director of the WPK Central Committee, and officials concerned, and on the opposite side were the members of the delegation led by Maichantan Sengmani, member of the Political Bureau of the C.C. [Central Committee], the LPRP and head of the central party-state control commission.

The two sides at the talks informed each other of their party activities and discussed the question of further developing the friendly relations between the two parties.

The talks proceeded in a comradely and friendly atmosphere.

Departs After Four-Day Visit

*SK2410115395 Pyongyang KCNA in English
1043 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The delegation of the Control Commission of the Central Committee of the Lao People's Revolutionary Party (LPRP) led by Maichantan Sengmani, member of the Political Bureau of the C.C. [Central Committee], LPRP and head of the Central Party-State Control Commission, left here today after its four-day visit to Korea.

During the visit the delegation visited Mangyongdae, the cradle of the revolution, and the monument to party

foundation newly built on the occasion of the 50th WPK birthday, the Pyongyang metro, the Mangyongdae School Children's Palace and other places.

The delegation also appreciated a performance of the mass gymnastic display "50 years of glory under the banner of the chuche idea" played by 50,000 school youth and children in Pyongyang.

Ambassador in Yugoslavia Visits Party Chairman

*SK2410043595 Pyongyang Korean Central
Broadcasting Network in Korean
1300 GMT 21 Oct 95*

[FBIS Translated Text] DPRK Ambassador to Yugoslavia Kim Won-ho paid a courtesy call on Dusan Mihajlovic, chairman of the New Democracy of Yugoslavia, on 16 October.

On the occasion, the ambassador conveyed the greetings from the great leader [yongdoja] Comrade Kim Chong-il to Chairman Dusan Mihajlovic. The chairman expressed his deep appreciation for this and asked the ambassador to convey his warm greetings to the great leader Comrade Kim Chong-il.

The chairman pointed out: President Kim Il-song is a great man renowned worldwide. We are pleased that the great leader His Excellency Kim Chong-il has been brilliantly inheriting President Kim Il-song's cause. Traditional relations of friendship exist between our two countries. We know very well that the friendly DPRK people have been bringing about great achievements in building the country and carrying out the cause of the fatherland's reunification despite the difficult environment. We hope they will bring about greater achievements. We will make positive efforts to expand and develop the relations between the two countries, two peoples, and two parties.

Yugoslav Science, Technology Delegation Arrives

*SK2110233395 Pyongyang KCNA in English
1511 GMT 21 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA) — A delegation of science and technology of the Federal Government of Yugoslavia led by Janko Radulovic, minister of development, science and environment, arrived here today.

The delegation was met at the airport by Chairman of the State Commission of Science and Technology Chae Hui-chong and Yugoslav Ambassador to Korea Ljubomir Ojukic.

Signs Sci-Tech Cooperation Accord

SK2410051895 *Pyongyang KCNA in English*
0454 GMT 24 Oct 95

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — An agreement on cooperation in science and technology between the governments of the Democratic People's Republic of Korea and the Federal Republic of Yugoslavia was signed at the Mansudae Assembly Hall on October 23.

It was signed by Choe Hui-chong, chairman of the State Commission of Science and Technology, and Janko Radulovic, minister of development, science and environment, who is heading the delegation of science and technology of the Federal Government of Yugoslavia.

WPK Sends Greetings to Swedish Communist Party

SK2310141195 *Pyongyang KCNA in English*
1010 GMT 23 Oct 95

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — The Central Committee of the Workers' Party of Korea today sent a message of greetings to the Central Committee of the Communist Party-KPML(R) of Sweden on the occasion of the 25th anniversary of its foundation.

The message expressed the belief that the relations between the two parties would continue to develop on good terms in accordance with the idea of independence, peace and friendship and wished the members of the Communist Party greater success in their efforts for defending the democratic rights of the working masses and safeguarding peace and security of the world.

Foreign Parties Support Declaration on Socialism

SK2310225395 *Pyongyang KCNA in English*
1508 GMT 23 Oct 95

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — An increasing number of political parties have supported the Pyongyang declaration "Let Us Defend and Advance the Cause of Socialism," which was adopted by leaders and delegates of parties advocating socialism in April 1992 when they were in Pyongyang to celebrate the birthday of the great leader President Kim Il-song.

The Zambian Socialist Party put its signature to the declaration on the occasion of the 50th anniversary of the founding of the Workers' Party of Korea, putting the number of those parties which signed it at 225.

Hwang Chang-yop Meets New Egyptian Ambassador

SK2410223995 *Pyongyang KCNA in English*
1519 GMT 24 Oct 95

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop today met and had a talk with new Egyptian Ambassador to Korea Hazem Mohamed Taher, [name as received] who paid a courtesy call on him.

Kim Chong-ho Attends Zambian Anniversary Lecture

SK2410045595 *Pyongyang KCNA in English*
0442 GMT 24 Oct 95

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — A lecture was sponsored by the Korea-Zambia Friendship Association here on Monday [23 October] to mark the 31st anniversary of Zambia's independence.

Present on the occasion were Kim Chong-ho, vice-minister of culture and art and vice-chairman of the friendship association, and members of the friendship association as well as working people in the city.

Kim Chong-ho gave a lecture on the subject "Zambia Today."

Pyongyang Helps Build Power Station in Guinea

SK2410114195 *Pyongyang KCNA in English*
1007 GMT 24 Oct 95

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — The Samangou power station was built in Telimele Prefecture, Guinea, with technical aid from Korea.

The station was put into operation on October 3 with a due ceremony.

The ceremony was attended by a Guinean Government delegation with the minister of power and environment as the head and the minister of youth, sports and art, the minister of tourism and hotel and the minister of trade, industry and medium and small enterprise as members, the governor of Kindia Prefecture, the governor of Telimele Prefecture, and other political and public figures of Guinea and 3,000 people.

In their speeches at the ceremony, the minister of power and environment and the governor of Telimele Prefecture said the power station is a precious fruition of the special intimacy between the great President Kim Il-song and His Excellency Respected Lansana Conte.

They said through the construction of the power station a model of South-South cooperation was created and that they gained experience and hardened their belief that they could build a new Guinea with their own fund, strength and effort.

They extended warmest thanks to His Excellency Respected Kim Chong-il and the valiant and industrious Korean people on behalf of the Guinean president, government and people.

Kim Yong-nam Meets With Officials in Colombia

*SK2410040695 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 21 Oct 95*

[FBIS Translated Text] On 19 October, Kim Yong-nam, vice premier and foreign minister of the DPRK, who attended a nonaligned summit conference held in Cartagena, Colombia, met with the Indian foreign minister and the minister of state for foreign affairs and cooperation of Equatorial Guinean.

On these occasions, the DPRK foreign minister asked these foreign ministers to convey greetings from the great leader [yongdoja] Comrade Kim Chong-il to the head of state and government of each country. The foreign ministers expressed their deep appreciation for this and asked the DPRK foreign minister to convey greetings from the head of state and government of their country to the great leader Comrade Kim Chong-il.

Meanwhile, the DPRK foreign minister met the foreign ministers of Indonesia, Zimbabwe, and the Maldives on 18 October. On these occasions, they exchanged views on bilateral relations and international issues of mutual concern.

Meets With Mozambican President

*SK2410023795 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 21 Oct 95*

[FBIS Translated Text] Mozambican President Joaquim Alberto Chissano, who had attended a nonaligned summit conference that had been being held in Cartagena, Colombia, met with Kim Yong-nam, DPRK vice premier and foreign minister, on 18 October.

On this occasion, the DPRK foreign minister conveyed the greetings from the great leader [yongdoja] Comrade Kim Chong-il to President Joaquim Alberto Chissano. The president expressed his deep appreciation for this and asked the foreign minister to convey his sincere greetings to the great leader Comrade Kim Chong-il. They exchanged views on the development of bilateral relations.

Pak Song-chol Meets Foreign Leaders in Colombia
*SK2410022695 Pyongyang Korean Central Broadcasting Network in Korean
1300 GMT 21 Oct 95*

[FBIS Translated Text] On 19 October, Vice President Comrade Pak Song-chol, the head of the DPRK delegation, met respectively with Indonesian President Suharto, Guyanese President Cheddi Jagan, Pakistani Prime Minister Benazir Bhutto, and Syrian Vice President 'Abd-al-Halim Khaddam, who had participated a nonaligned summit conference in Cartagena, Colombia.

On these occasions, the head of the DPRK delegation extended greetings from the great leader [yongdoja] Comrade Kim Chong-il to the head of state or government of each country.

The Indonesian, Guyanese, and Pakistani heads of state or government and the Syrian vice president expressed their deep appreciation for this and asked the head of the DPRK delegation to convey the wishes from them and the presidents of their countries that Comrade Kim Chong-il would enjoy a long life and good health and happiness.

Meantime, the DPRK delegation head met respectively with the Iraqi and Iranian foreign ministers on 17 and 18 October. On these occasions, they exchanged views on bilateral relations and other matters of mutual concern.

Kim Il-song Memory Honored at Nonaligned Meeting

*SK2110114395 Pyongyang KCNA in English
1041 GMT 21 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 21 (KCNA) — The entire participants in the 11th summit meeting of non-aligned countries which opened in Colombia on October 18 honored the memory of the Great Leader President Kim Il-song, according to a report.

Participating in the summit were delegations of the member nations of non-aligned movement including the delegation of the DPRK headed by Vice-President Pak Song-chol and observers and guests of many countries.

Indonesian President Suharto who is also chairman of the summit declared its opening and proposed to all the participants to observe a moment's silence in memory of President Kim Il-song.

Representative Hosts Reception To Mark UN Day

*SK2510055395 Pyongyang KCNA in English
0432 GMT 25 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — G. Faruq Achikzad, representative of the United Nations Development Programme [UNDP] in Pyongyang, gave a reception here on October 24 on the occasion of the 50th anniversary of the foundation of the United Nations.

Invited to the reception were Pak Myong-ku, vice-minister of Foreign Affairs, No Tu-chol, vice-chairman of the State Planning Commission, and Kim Chong-u, vice-chairman of the State External Economic Affairs Commission.

Foreign diplomatic envoys in Korea were also invited.

Speeches were exchanged at the reception.

More WPK Anniversary Letters, Messages Sent

*SK2210101495 Pyongyang KCNA in English
1003 GMT 22 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — Letters and messages of greetings to the great leader Comrade Kim Chong-il were adopted at the meetings held in Moscow, Lusaka, Lima, Dodoma of Tanzania and at the Bangladesh People's Federation in celebration of the 50th anniversary of the foundation of the Workers' Party of Korea [WPK].

They noted that the WPK founded by the great leader President Kim Il-song and led by Comrade Kim Chong-il is a powerful guiding force which has led to victory the struggle of the Korean people to build Korean-style socialism centred on the people and achieve the reunification of the country through a 50-year long course of glory.

They expressed the belief that the WPK would emerge victorious because it is led by Comrade Kim Chong-il who is creditably carrying forward the cause of President Kim Il-song and extended firm solidarity to the WPK and the Korean people in their struggle for the socialist construction and the independent and peaceful reunification of the country.

They sincerely wished Comrade Kim Chong-il a long life in good health.

Letters to Comrade Kim Chong-il were adopted at a meeting held in Helsinki to commemorate the 25th anniversary of the formation of the Finland-Korea Association and at a joint seminar of his famous work in Kinshasa, Zaire.

Foreign Parties Send Messages

*SK2510053595 Pyongyang KCNA in English
0435 GMT 25 Oct 95*

[All names as received]

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — Messages came to the Central Committee of the Workers' Party of Korea [WPK] from Patricio Echegaray, general secretary of the Central Committee of the Communist Party of Argentina, Majhemouth Diop, chairman of the Central Committee of the African Independent Party of Senegal, and from the Central Committee of the People's Party of Costa Rica and the Central Committee of the Mozambique Liberation Front Party on the occasion of the 50th anniversary of the foundation of the Workers' Party of Korea.

The messages extended fraternal greetings to the WPK Central Committee and the Korean people on the 50th anniversary of the WPK and said that the WPK led by the great leader Comrade Kim Chong-il is adhering to the revolutionary principle as the party of Comrade Kim Il-song and successfully carrying forward and developing the revolutionary cause started by him.

They fully supported the WPK's efforts for the reunification of the country and expressed the belief that the friendly and cooperative relations between the WPK and the above-said parties will continue to develop.

KPA Fine Art Show Marks WPK Anniversary

*SK2710104495 Pyongyang KCNA in English
1000 GMT 27 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — The 11th fine art show of the Korean People's Army [KPA] has been taking place with success in Pyongyang since it was opened at the beginning of this month to mark the 50th anniversary of the Workers' Party of Korea [WPK].

Exhibited in the show are some 500 items of art works, including 100 items of Korean paintings and 180 items of posters as well as oil paintings, graphic paintings, crafts, sculptures, calligraphies and embroideries, which were produced by KPA artists and soldiers, employees and officers' families with intense loyalty to the WPK.

Many of the exhibits vividly represent the imperishable exploits of the great leader President Kim Il-song and the great leader Comrade Kim Chong-il, who blazed the trail for the building of a working-class revolutionary party in the age of independence, strengthened the Workers' Party of Korea into an invincible party and developed the People's Army into a combat unit based

on loyalty to the WPK and a strong army, each soldier of which is a match for a hundred foes.

LSWYK Central Committee Celebrates Anniversary

*SK2710050795 Pyongyang KCNA in English
0455 GMT 27 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — Let us brilliantly celebrate the 50th anniversary of the foundation of the League of Socialist Working Youth of Korea (LSWYK) as a grand political festival of singlehearted unity of young vanguard who are rallied as firm as a rock around the great leader General Kim Chong-il, upholding the slogan "Let us greet the 50th anniversary of LSWYK with high political enthusiasm and brilliant achievements!"

This is the basic idea of the appeal issued by the LSWYK Central Committee to its members and young people across the country on the occasion of the 50th anniversary of the league.

The appeal stressed that all the members of the LSWYK and young people should discharge their obligation as soldiers who remain unfailingly loyal to the great leader Comrade Kim Il-song and become five million rifles and bombs to defend respected General Kim Chong-il with their lives in the van.

It called for firmly uniting around respected General Kim Chong-il and making the LSWYK a crystal of loyalty, filial piety and single-heartedness.

Noting that the loyalty and might of singlehearted unity of young people should be expressed in the socialist economic construction, the appeal called upon the young men and women to become performers of exploits and young heroes in socialist construction under the slogan of faith, the slogan of struggle "when the party is determined, we can do anything!"

It said that young people should attach importance to the military affairs, actively join the People's Army and give full play to the traditional traits of army-people unity.

The young people, it noted, should wage a vigorous struggle to bring earlier the day of glory when all fellow countrymen will lead a happy life in a reunified land, holding the great leader Comrade Kim Chong-il in high esteem as the father of the nation.

The appeal noted that the young people should strengthen friendship and solidarity with the progressive youth and students of the world who support the struggle of the Korean people, and actively support and encourage the struggle of the world's revolutionary

youth and students who are building a free and peaceful new world and waging the movement for rebuilding socialism under the banner of independence.

Kim Chong-il Thanks People's Army, Workers

*SK2310042995 Pyongyang KCNA in English
0406 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — The great leader Comrade Kim Chong-il sent thanks to units, officers and their families and employees of units of the Korean People's Army for giving full play to the beautiful trait of army-people unity.

Comrade Kim Chong-il also extended thanks to the party members and working people in Yonggwang County, South Hamgyong Province, three-revolution team members dispatched there, officials and employees of the united minor power station in South Hamgyong Province who built the Yonggwang power station No. 1 with their own efforts.

Kim Chong-il Sends Thanks on Project Completions

*SK2310221395 Pyongyang KCNA in English
1506 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — Wonbuk pit and Sosa coal sorting place of Ripsok coal mine of the Anju area coal complex and pig iron and cement producers of the Pukchang thermal power complex in South Pyongan Province have been built and put into operation.

The annual production capacity of Wonbuk pit with four cutting faces and a 1,400-metre-long coal carrier is hundreds of thousands of tons.

The Pukchang thermal power complex has built a new process of producing thousands of tons of pig iron with magnetite separated from slag in the boiler as well as a cement production base with its own efforts.

The great leader Comrade Kim Chong-il's thanks to the workers, technicians and office employees of these units were conveyed at the ceremonies of their completion.

Foreign Language Books on Kim Chong-il Published

*SK2310141395 Pyongyang KCNA in English
1001 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — A book "The Great Man Kim Chong-il" was published in different languages by the foreign languages publishing house on the occasion of the 50th founding anniversary of the Workers' Party of Korea.

The book consists of 7 chapters — devotion, love, trust, servant of the people, our way, keen intelligence and boldness.

Writers Yi Il-pok and Yun Sang-hyon impressively describe on the basis of facts the noble virtues of the great leader Comrade Kim Chong-il who is making unremitting efforts in the spirit of devoted service to the people.

The book carries true stories about the great love of Comrade Kim Chong-il, who grants benefits to the people, embracing all of them, his absolute trust in the revolutionary soldiers and his firm position that everything should be devoted to the happiness of the people.

It edits many articles on the leadership trait of Comrade Kim Chong-il, who undertakes construction operations on a large scale and pushes ahead with them audaciously to build monumental edifices and characteristic streets of the capital and create world-startling miracles one after another.

Kim Chong-il Sends Birthday Tables to Citizens

SK2510054395 Pyongyang KCNA in English

0422 GMT 25 Oct 95

[FBIS Transcribed Text] Pyongyang, October 25 (KCNA) — The great leader Comrade Kim Chong-il sent birthday tables to Hwang Tae-yon, leader of the general wire shop of the Kim Chaek Iron and Steel Complex; Yi Man-kol, crew leader of a furnace of the steel shop of the Hwanghae Iron and Steel Complex; Cho Pyok, dean of a department of O Chung-hop University; and Yi Tong-chun, principal of the Kum Song No. 2 Senior Middle School in Pyongyang; on their 60th birthdays and to Kang Won-ho, a teacher of Kim Il-song University, on his 70th birthday.

The workers and other working people, intellectuals, soldiers of the People's Army, students and pupils of Korea uphold the leadership of Comrade Kim Chong-il with loyalty and filial piety in order to live up to his trust in and loving care for them.

Yi Chong-ok Attends Meeting To Give Award

SK2310014295 Pyongyang Korean Central Television Network in Korean 1100 GMT 18 Oct 95

[FBIS Translated Text] A meeting was held in Chunghwa County, Pyongyang on 17 October to award the title of exemplary county for army-people unity on this county.

Comrade Yi Chong-ok, functionaries of sectors concerned, and working people and People's Army soldiers in Chunghwa County were present at the meeting.

A decree of the DPRK Central People's Committee was read and a letter of commendation was awarded to Chunghwa County. Decorations and medals were also awarded to functionaries and residents in Chunghwa County who set examples in further strengthening the single-hearted unity of the entire society and highly displaying the traditional virtue of army-people unity, upholding the party's leadership.

Next, some participants spoke to express their resolution. Speakers mentioned it is a very important task of the current times to strengthen the invincible unity and cohesion between the Army and the people which was prepared in the flames of the anti-Japanese struggle, was intensified in the fires of war, and was even more firmly hardened by upholding the respected and beloved general as the supreme commander of the revolutionary Armed Forces. They also stressed the need to further strengthen the indomitable might of our society united around the general as one mind.

Yi Chong-ok Meets Military Sports Committee

SK2310014995 Pyongyang Korean Central Broadcasting Network in Korean

1100 GMT 20 Oct 95

[FBIS Translated Text] Vice President Yi Chong-ok held talks with participants of a meeting of the executive committee of the International Military Sports Council at Mansudae Assembly Hall on 20 October. Lieutenant General Choe Pu-il of the Korean People's Army was on hand.

Vice Premier Kim Pok-sin Attends Ceremony

SK2310013395 Pyongyang Korean Central Broadcasting Network in Korean

2100 GMT 20 Oct 95

[FBIS Translated Text] A modern dye shop has been built in Sonkyo Knitting Plant. The dye shop has a total floor space of 2,000 square meters and is equipped with facilities for dyeing cloth, socks, and thread, for dehydrating and drying dyed goods, and for treating rubbish.

The working class at this plant will increase the production of quality knitted goods by brilliantly implementing the fatherly leader's [suryongnim] behest on building a dye shop in the plant and maintaining a high and steady rate of production, so that they will be able to make a contribution to implementing the party's light industry-first policy and improving the standards of the people's living.

A ceremony was held at the Sonkyo Knitting Plant on 19 October to put the facilities of the plant's dye shop into

operation. Present at the ceremony were Comrade Kim Pok-sin, vice premier of the Administration Council and chairman of the Light Industry Committee; Comrade Pak Nam-ki, chairman of the Pyongyang Municipal Administrative and Economic Committee; functionaries of sectors concerned; and employees of the plant. Kim Chong-ku, manager of the plant, delivered a report.

After a red ribbon hanging in front of the dye shop was cut, the participants of the ceremony looked around the newly built process lines.

Foreign Delegations Pay Homage to Kim Il-song

*SK2310044595 Pyongyang KCNA in English
0411 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — Foreign delegations on October 22 visited Kumsusan Memorial Palace where the great leader President Kim Il-song is preserved in state and made deep bows to him. Among them were the delegation of former Chinese People's Volunteers led by Colonel General Shi Yuxiao, political commissar of the Kuangzhou Military District of the Chinese People's Liberation Army, the delegation of Science and Technology of the Federal Government of Yugoslavia led by Janko Radulovic, minister of development, science and environment, and the delegation of the Control Commission of the Central Committee of the Lao People's Revolutionary Party [LPRP] led by Maichantan Sengmani, member of the Political Bureau of the C.C. [Central Committee], the LPRP and head of the central party-state control commission.

Chongnyon Groups Visit Statue

*SK2310050595 Pyongyang KCNA in English
0413 GMT 23 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 23 (KCNA) — Home-visiting groups of Korean students from Japan on October 21 laid floral baskets before the statue of the great leader President Kim Il-song on Mansu Hill and made a bow.

On the 22nd, a delegation of athletes of the General Association of Korean Residents in Japan (Chongnyon) laid bouquets before his statue and made a bow.

Flowers Brought to Kim's Statue

*SK2210084495 Pyongyang KCNA in English
0829 GMT 22 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — A delegation of the Central Commission of the Central Committee [C.C.] of the Lao People's Revolutionary Party led by Maichantan Sengmani, member of the Political Bureau of the C.C., the Lao People's

Revolutionary Party and head of the Central Party-State Control Commission, and a delegation of former Chinese People's Volunteers led by Colonel General Shi Yuxiao, political commissar of the Guangzhou Military District of the Chinese People's Liberation Army, on Saturday laid floral baskets and made bows before the statue of the great leader President Kim Il-song on Mansu Hill.

A delegation of science and technology of the Federal Government of Yugoslavia led by Janko Radulovic, minister of development, science and environment, and a Chinese famous artistes' group laid bouquets of flowers and made bows before the statue of President Kim Il-song on the same day.

Minister of Natural Resources Development Dies

*SK2410051295 Pyongyang KCNA in English
0456 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — Kim Se-yong, alternate member of the Central Committee of the Workers' Party of Korea [WPK], deputy to the Supreme People's Assembly of the Democratic People's Republic of Korea and minister of natural resources development of the Administration Council, died of an illness on October 22, 1995, at the age of 59.

An obituary on his death was published on October 22 in the joint name of the Central Committee of the WPK and the Administration Council of the DPRK.

Changjagang Power Plant Increases Production

*SK2410055095 Pyongyang Korean Central Broadcasting Network in Korean
1200 GMT 23 Oct 95*

[FBIS Translated Text] According to a report from station reporter Choe Hun, party members and workers at the Changjagang Power Plant, who glorified the 50th anniversary of the founding of the party with proud labor results, have risen up with an iron-firm faith that they will achieve what the party decides, and are continuously increasing the production of electric power.

Workers and technicians at the generating shop bear deep in mind the great dignity and pride in working at the honored shop that was visited by the great leader [widaehan suryongnim] and the respected and beloved general [kyongachanun changgunnim]. They concentrate their efforts on the proper management of the facilities and technology, while thoroughly guaranteeing the operation of the facilities at a high level of water and

at a high degree of efficiency. As a result, they are effecting such innovations as the overfulfillment of daily production plans at 105 percent or more.

Workers at the repair shop have reinforced eternal hydroelectric structures by displaying the revolutionary spirit of self-reliance and fortitude, thus making a great contribution to the normalization of electricity production at a high level.

Workers at the machine tools shop are also making a great contribution to increasing the production of electric power by searching and mobilizing internal reserves and giving priority to producing tools.

Increase of Electricity Production Reported

SK2710114495

[FBIS Editorial Report] The following is a compilation of news reports on electricity in DPRK carried by Pyongyang Korean Central Broadcasting Network in Korean and Pyongyang Korean Central Television Network in Korean from 25 to 26 October.

At 2100 GMT on 25 October, Pyongyang Korean Central Broadcasting Network in Korean carries a one-minute report on the increase in electricity production by party members and working people in Wiwon Power Station. Stating that they are vigorously carrying out the struggle to overfulfill the October electricity production plan, the report says that by operating power generation facilities at full capacity, they produced five percent more electrical power each day than planned, and made efforts to utilize every drop of water for electric power production. The report adds that various parts required for the maintenance and repair of power generation facilities were produced in a timely manner by the engineering team workers who were thus able to "reliably support" electricity production.

At 2100 GMT on 26 October, the radio carries a one-minute report on the "drastic increase" in electric power production at the Comrade Yi Chung-nam-affiliated power station. The report states that the electricity producers at this station were filled with the determination to render loyalty and filial piety to the great leader [yongdoja] Comrade Kim Chong-il and achieved increases in electrical power production, such as producing "30 percent more electricity" than planned each day. The report goes on to say that the working people and technicians in this station accelerated production by assiduously carrying out maintenance and repair of facilities with their own strength, thus increasing power production every day.

At 1100 GMT on 26 October, Pyongyang Korean Central Television Network in Korean carries a two-

minute report on the vigorous struggle of electricity producers in Changjingang power station to increase electricity production. Stating that the operators of the power generation workshop in the station are operating power generation facilities at full capacity by improving facility management, the report says that they surpassed their daily production plan by producing 1.2 times more electricity each day, and that they are continuing the vigorous struggle to increase power production in compliance with the ever-increasing demand for electricity.

Daily Stresses Afforestation Work at All Levels

SK2710110395 Pyongyang MINJU CHOSON
in Korean 8 Sep 95 p 1

[FBIS Translated Text] The Administration Council recently adopted a decision to inspire all people in the country to cover all mountains in the fatherland with rich woods.

The great leader [yongdoja] Comrade Kim Chong-il indicated:

Our party's consistent afforestation policy is to conduct the tree planting movement among all the masses. Tree planting should be done in a broad area and in a short period of time. Thus, it cannot be done only by people working in the forestry field. All people should be mobilized to do afforestation.

Forestry is a valuable resource of the country and a solid basis for the prosperity of generations to come.

Our country has many mountains. Enriching all mountains in the fatherland with woods through good afforestation, protection, and management work is an honorable and rewarding work making our country and fatherland more prosperous. It is also an important work to defend the popular masses-centered of our style of socialism and implement the party's revolutionary economic strategy.

The decision concretely explained the fatherly leader's and great leader [yongdoja] Comrade Kim Chong-il's immortal achievement in forestry, the significance and importance of afforestation, the prospects and impending tasks of forestry, and the implemental guidance.

The decision will strengthen organization and mobilization for the work to realize the idea and intention of the party and leader [suryong] to cover all mountains in the fatherland with rich woods.

First of all, the decision calls for the mobilization of the entire country and all the people to the struggle to cover all mountains in the fatherland with rich woods.

According to the decision, all concerned committees and ministries should assign forests to agencies, enterprises, and groups, and give them tree planting plans so that they take the responsibility for covering their assigned forest with rich woods. The decision calls for an accurate afforestation perspective and plan for up to the year 2000 in conformity with the demand of the general plan for forest construction. Agencies, enterprises, and groups should make all mountains green and reform forests that are useless or of low productivity. Tens of thousands of chongbo (2.451 acres) of industrial forests, forests of oil-bearing trees, and firewood forests, should be fostered. Certain forest areas should be assigned to agencies and enterprises so that sufficient firewood, raw materials of paper and furniture, local building materials, and local industry raw materials can be produced and guaranteed for all cities and counties to manage on their own. Educational institutions should be responsible for their current "forest of the Children's Union" and "forest of the League of Socialist Working Youth," and those with insufficient forest should be given more nearby forest. Mines should make certain areas of the nearby mountains their assigned forest in order to produce pit props.

The decision indicates that all people should compulsorily participate in afforestation, as they do in the work to support farms, in order to decisively increase log production and cover all mountains in the country with rich woods.

The decision states that the afforestation work should be provided with a new scientific basis, and demands that the material and technological basis of forestry management be strengthened.

In order to provide afforestation, protection, and management work with a new scientific basis, the decision states that concerned committees, ministries, and agencies should industrialize the production of seedlings and computerize forestry management, prepare steps to accept aerial photography technology and other advanced scientific technologies in a short time, and strengthen the material and technological basis of the seedling production sector and afforestation work shops.

The decision indicates that a supervisory and control system should be established for afforestation and the legal control should be strengthened.

The decision presents concrete tasks for concerned committees, ministries, and agencies to inspire the entire country and all the people to do the afforestation work under the leadership of the party organization.

Organs of the people's power, administrative organs, plants, enterprises, and groups of all level should me-

thodically conduct the administrative and economic organizational work to thoroughly implement the Administration Council's decision, so as to contribute to covering all mountains in the fatherland with rich woods.

Seminar Held on Historic Relics Around Changja

*SK2410050395 Pyongyang KCNA in English
0451 GMT 24 Oct 95*

[FBIS Transcribed Text] Pyongyang, October 24 (KCNA) — A seminar of social scientists on the glorious historic relics of our party in the area around Mt. Changja was held in Kanggye, the seat of Chagang Province, on October 22.

The revolutionary site on Mt. Changja is associated with the immortal historic relics of Kim Hyong-chik, an outstanding leader of the anti-Japanese national liberation movement of Korea, who walked before the sunrise for the independence of the country. It is also associated with the glorious historic relics where the great leader President Kim Il-song took a "thousand-ri journey for learning" and a "thousand-ri journey for national liberation" to open a new road of the Korean revolution and respected General Kim Chong-il stayed in the period of the fatherland liberation war.

The speakers said that the revolutionary site on Mt. Changja is a significant revolutionary site which conveys the glorious history in which the leadership of the Korean revolution was inherited successfully.

They noted that the respected general acquired the great personality as the great man of the century, the people's leader, cultivating his noble intention of revolution to bring about a bright future of Korea in the days when he stayed on Mt. Changja.

Article Stresses Collectivist Outlook on Life

*SK2710113395 Pyongyang MINJU CHOSON
in Korean 23 Aug 95 p 2*

[Article by Pak Tong-kun: "The Establishment of a Collectivist Outlook on Life Is the Demand To Be Faithful to Society and People"]

[FBIS Translated Text] In the classical work, "Giving Priority to Ideological Work Is Indispensable for the Accomplishment of the Cause of Socialism," the great leader [yongdoja] Comrade Kim Chong-il elucidated that it is an important demand to be faithful to society and people in order for man to have a collectivist outlook on life. This is the unique, creative ideology and theory based on the scientific analysis of the inherent characteristics of the socialist society.

The great leader [yongdoja] Comrade Kim Chong-il has indicated: "Only when man has a collectivist

outlook on life, — an outlook of life in which he further treasures collectives' interests rather than his individual's interests, devotes himself to a collective, and finds the value, worth, and happiness of his life in collective's trust and love — can he have a noble ideological and mental ethos which accords with the inherent nature as a social human being and with the demands of the socialist society and, at the same time, can he become a genuine fighter for socialism."

A collectivist outlook on life is an outlook on life which leads man to further treasure collective's interests rather than individual's interests; to struggle for society and collectives, devoting his all to them; and thus, to find the value of his life and happiness from there, proceeding from the outlook of regarding a social and political collective centering on the leader [suryong] as the source of his life [saengmyongui moche].

When men arm themselves with a collectivist outlook on life and thoroughly embody it in their thinking and practical life, they can be infinitely faithful to society and people.

For men to faithfully serve society and people, it is imperative for them to establish a collectivist outlook on life which accords with the inherent demands of the socialist society and with the inherent demands of the popular masses.

The popular masses' independent aspirations and demand — which are their inherent demand — can be thoroughly realized only when they establish a collectivist outlook on life. Man is a social being, and therefore a collective being.

We cannot think of realizing man's inherent demands apart from that of social collectives. Men can remold nature and society and realize their independent demand only by relying on collective cooperation from members of a society, not by relying on individuals' strength.

A social and political collective is comprised of the leader [suryong], the party, and the masses. When individual men become members of a social and political collective, they can have a social and political life, which is man's first life, and realize the independent demand of the collective under the party's leadership while displaying a sense of revolutionary obligation and comradely love. The independent demand of the collective is the common demand of society members aiming at the survival and development of the social collective. People uphold the leader [suryong], who gave them sociopolitical life, as the sociopolitical organism and rely totally on him. They realize the independent demand of the collective, while displaying laudable traits of revolutionary faithfulness and comradely love in implement-

ing the leader's [suryong] ideology and intention, which most correctly reflect their inherent demand. Their utmost happiness is to devote all their creative wisdom and talents to achieving the common interests of society, to leave their traces on great creations that reformed nature and society, and be immortal in the trust and love of comrades and the collective.

Man is a collective being. Man can achieve his independent demand only in a social collective, and can possess immortality and glorify his life only when he is a member of the collective. Man discovers the reward and happiness of life when he cherishes the life of the collective more than his individual life, when he is dedicated to the collective, and when he is in the trust and love of the collective.

Man not only has the independent demand of the collective, but has the independent demand as an individual as well.

The independent demand of an individual is fundamentally different from individualist greed that ignores the collective and subordinates everything to the interest of an individual. An individual's independent demand is a demand that he is an equal member of the social collective. It also is a demand that can be ensured by the collective due to its contribution to the social collective.

The activities of an individual as a member of the sociopolitical living organism is a practical struggle to implement the lines and policies of the party, an embodiment of the leader's [suryong] idea and intention which correctly reflects the independent demand of the popular masses. Through the practical struggle, the people carry forth the demand of the collective as well as their intrinsic demand. In other words, realizing the collective's independent demand is directly linked with the realization of the independent demand of an individual. Therefore, the struggle to realize the collective's independent demand is a struggle to realize the independent cause of the popular masses as well as the activity to pioneer their own destiny. Apart from the collectivism, an individual's demand will degrade into individualist greed. Then, the independent demands of other members of the collective will be infringed upon and will impede the collective's unity and cooperation. If one assumes a stance and holds an outlook that he will live by himself even by trampling on other people's independent demand, he will plunge into the individualist outlook on the life that gives priority to the individual's life other than that of the social collective. Then, he cannot act in accordance with man's intrinsic demand and will be eventually thrown away by the society and collective. Only when he gives priority to the interest of the collective and values it more than

others, and works devotedly for the collective, can the interest of the individual be realized much better. As such, because the collectivist outlook on life meets the intrinsic demand of the popular masses, it becomes the outlook on life that should be cherish by all the members of the society.

All the members of the society having the collectivist outlook on life by is an intrinsic demand of the socialist society.

The socialist society can be defended and adhered to, and developed and consummated by those who are armed with the collectivist outlook on life.

The socialist society is a society intrinsically based on collectivism. Socialism, a natural byproduct of the popular masses' struggle for the independence, completely wipes out exploitation, suppression, and social inequity. It also ensures all members of society no discrimination in their position and role as masters of nature and the society.

Socialist society is a true society that meets the nature of the man. In socialist society where exploitation, suppression, and social inequity that are based on private ownership are ultimately rubbed out, the people can devotedly struggle for the common interest of the society by leading and helping each other as one big family and as the masters of the society, and, on this course, they can realize their independent demand. If nonsocialist elements that hamper resolving the collective demands with joint strength and wisdom such as private ownership and inequality are allowed, socialist society would not be maintained, and would be discolored. Socialist society displays its might when all the conditions that give birth to social inequality are liquidated, leaving no room for individualism to infiltrate, and it is defended and developed by those who are armed with the collectivist outlook on life. Socialist society's basis in collectivism implies in essence that it is a society which is developed and completed by the united body of the leader, the party, and the masses. The leader puts forth socialist ideology and founds the party based on his analysis and synthesis of the natural demand of the popular masses, and provides the sociopolitical living organism, the strong main force of the revolution, by arming the masses with socialist ideology. The leader realizes the masses' ideological and volitional unity and cohesion by putting forth socialist ideology and arming the masses with it, and the leader is the center of the sociopolitical living organism which uniformly commands its creative activities. The individuals come to have everlasting sociopolitical life when they are combined with the leader, which is the center of the sociopolitical living organism through

organizations and share their destiny with the party. In the sociopolitical living organism, the leader, the fighter, the party, and the people are firmly united in love and trust, and complete the leader's revolutionary cause, the socialist cause, with the might of the wholehearted unity of the masses. Therefore, in defending, adhering to, and developing socialism, it is important to strengthen the sociopolitical living organism and highly display the masses' strength of wholehearted unity. Socialist society, which opposes and rejects the individualistic outlook on life which is based on private ownership, is strengthened and develops when those who have the collectivist outlook on life, which regards sociopolitical life as the mother of an individual's life, and display the might of the wholehearted unity under the leadership of the party and the leader. Hence this brings up the task for all members of society to arm themselves firmly with the collectivist outlook on life to develop and complete the socialist cause.

What is stated above shows that all members of society must have the collectivist outlook on life in conformity with the natural demand of people, the popular masses, and the natural demand of socialist society to truly serve society and the people.

All functionaries and working people should arm themselves firmly with the ideology and theory on collectivist outlook on life set forth in the classic work of the great leader Comrade Kim Chong-il "Giving Priority to Ideological Work Is An Essential Requisite to Carrying Out the Socialist Cause" and embody them thoroughly, so that they may defend, adhere to, and further add luster to our-style socialism centered on the popular masses.

Paper Stresses Important Work for Unity of Party
SK2210103995 Pyongyang KCNA in English
1026 GMT 22 Oct 95

[**"Important Work for Unity of Party" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, October 22 (KCNA) — NODONG SINMUN today carries an article upon the lapse of 19 years since the great leader Comrade Kim Chong-il published a work on October 22, 1976, calling for keeping the party's political and ideological unity pure through generations.

In the work he said the revolutionary cause of the working class is, in essence, the cause of the leader and if it is to be carried forward successfully, the party's political and ideological unity must be defended and further cemented through generations.

The article says the highly important work gave comprehensive answers to the fundamental issues arising in

accomplishing the revolutionary cause of the leader and made it possible to bring about a radical turn in considerably strengthening the political and ideological unity of the party and the revolutionary union.

The work has displayed great vitality in the practice of the Korean revolution, the article says, and continues: Since the work was published, our party has directed great efforts to strengthening the party's political and ideological unity in accordance with the law governing the accomplishment of the revolutionary cause of the working class, considering it vital to the party and the revolution.

As a result, our party's tradition of singlehearted unity provided by the great leader Comrade Kim Il-song has been inherited successfully through generations and the unity of the party and the revolutionary units further cemented.

On the basis of the solid singlehearted unity around the great leader Comrade Kim Chong-il, our party and people have struggled hard to accomplish the revolutionary cause of chuche, the cause of Korean socialism, under the red flag of revolution without slightest vacillation in so difficult and complicated a situation.

Paper Views WPK's 'Firm' Monolithic System

SK2710104395 Pyongyang KCNA in English
0957 GMT 27 Oct 95

[**"WPK, Revolutionary Party With Solid Monolithic Ideological System" — KCNA headline**]

[FBIS Transcribed Text] Pyongyang, October 27 (KCNA) — The great leader Comrade Kim Chong-il in the work "The Workers' Party of Korea [WPK] Is the Party of the Great Leader Comrade Kim Il-song" gives a comprehensive exposition of the undying feats of President Kim Il-song, who founded the WPK and strengthened and developed it into a great revolutionary party.

NODONG SINMUN Friday says that one of the immortal exploits of the great leader Comrade Kim Il-song is that he made the WPK a revolutionary party with firm monolithic ideological system.

The work clearly shows that the monolithic ideological system was established within the WPK through a struggle against flunkeyism, dogmatism, factionalism and revisionism.

The signed article says that in the work Comrade Kim Chong-il elaborates on the historic struggle of the WPK to establish the monolithic ideological system under the guidance of President Kim Il-song. It further says:

Having firmly maintained the principled position that a sycophantic party makes a mess of revolution, President Kim Il-song made strenuous efforts to establish chuche against flunkeyism and dogmatism from the first days of the party foundation. It was after the war that President Kim Il-song put forward a landmark policy of establishing chuche and made unremitting efforts to carry it into practice. His energetic activities were of weighty importance in strengthening and developing the WPK.

He organisationally removed factional elements from the ranks of the WPK and conducted a powerful ideological struggle to get rid of the evil ideological aftereffects of factionalism within the party. As a result, the filth of factionalism, one of the legacies of history, was swept away.

President Kim Il-song elucidated that flunkeyism and dogmatism are a guide of revisionism, and dynamically led the people to wage a powerful struggle against revisionism in close combination with the struggle against flunkeyism and dogmatism.

It is thanks to the wise guidance of President Kim Il-song that the WPK has led the revolution and construction to victory, setting itself against revisionism and all other alien ideas and standing true to the revolutionary principle.

The course of WPK's historic struggle to establish the monolithic ideological system in it is the glorious road that could be traversed only by the great leader Comrade Kim Il-song with steel-like will, grit and revolutionary principle, stresses the article.

South Korea

Kim Yong-sam Visits U.S. Pacific Command
SK2710064795 Seoul YONHAP in English
0632 GMT 27 Oct 95

[FBIS Transcribed Text] Honolulu, Oct. 26 (YONHAP) — President Kim Yong-sam on Friday visited the U.S. Pacific Command here and received a briefing from the commander, Adm. Richard Macke [name as received], on the military situation in the Far Eastern region.

In his address at a welcoming ceremony, President Kim thanked the U.S. Pacific Command for the role it has played in maintaining peace on the Korean peninsula.

Kim noted, "The active and generous support of the American people and the dedication and sacrifice of the American officers and military personnel have been largely responsible for turning South Korea into what it is today. Particularly, the Pacific Command has played a decisive role in the peace of the Korean peninsula."

American military personnel under the Pacific Command, including more than 36,000 officers and men and women stationed in South Korea, he said, are "a reliable shield for peace on the Korean peninsula and security in the Asia-Pacific region."

Asserting that it would be impossible to expect a hopeful Asia-Pacific era in the 21st century without lasting peace in the region, Kim called upon the United States "to play a leading role in this region."

Among South Korean officials accompanying the head of state in the visit were Foreign Minister Kong No-myong and Chairman of the Joint Chiefs of Staff Gen. Kim Tong-chin.

U.S. Brigadier General Visits DPRK

*SK2710045795 Seoul TONG-A ILBO in Korean
27 Oct 95 p 1*

[FBIS Translated Text] It was revealed on 26 October that U.S. Brigadier General Douglas Smith [name as published], chairman of the Sports Committee of the U.S. Defense Department, is currently staying in North Korea after participating in the meeting of the Executive Committee of the International Military Sports Council held in Pyongyang.

According to U.S. military sources, Brigadier General Smith, a member of the Executive Committee of the International Military Sports Council, visited Pyongyang on 14 October, the first U.S. general on active duty to do so, and participated in the meeting held from 18 to 20 October.

A total of 14 members, including four presidents, one general secretary, and nine members of the Executive Committee, reportedly participated in the meeting. A North Korean delegate attended the meeting as an observer.

Trade Deficit With U.S. Increases to \$5.2 Billion

*SK2710012495 Seoul THE KOREA TIMES in English
27 Oct 95 p 8*

[FBIS Transcribed Text] With the sharply-increasing import from the United States outpacing that from Japan since last August, the trade deficit with the U.S. has grown to 5.2 billion dollars as of the end of September, an eight-fold increase over the same period last year.

The nation's export to the United States until last September was 17.26 billion dollars, an increase of 17.7 percent from the same period last year. But its import grew to 22.48 billion dollars, up 46.8 percent, according to the Korea Foreign Trade Association (KFTA) yesterday.

Accordingly, the trade deficit reached the level of 5.2 billion dollars, up eight times that recorded last year, the KFTA said. Of particular note is that the import from the U.S. began to exceed that from Japan for two straight months since last August.

The import from the U.S. in August hit 2.646 billion dollars, up 50.7 percent from the same month last year, while that from Japan increased by 19.2 percent to 2.639 billion dollars.

The import from the U.S. further increased in September by 37.6 percent to 2.611 billion dollars, outdistancing that from Japan, which increased by 19 percent, 1.9 million dollars.

The drastic increase in the trade deficit with the U.S. was interpreted to have been caused by a sharp rise in the import of machinery equipment, grain and luxurious products.

Fugitive Without Food; Cordon Tightened

*SK2710021495 Seoul YONHAP in English
0202 GMT 27 Oct 95*

[FBIS Transcribed Text] Puyo, South Chungchong Province, Oct. 27 (YONHAP) — The joint military-police's operations headquarters, searching for the elusive armed North Korean agent, Pak Kwang-son, resumed its pursuit at around 6 am Friday as the search effort was suspended overnight.

While the perimeter of Mt. Soksong, where the fugitive agent is believed to be hiding, is completely blockaded, over 6,000 troops including 1,200 paratroopers, 19 military tracking dogs and 24 helicopters are being used in the search effort.

In particular, the paratroopers will perform a central role in the operations, shifting a search centered on a specific area where Pak is suspected of hiding to an intensive search over the whole operational area beginning Friday.

Pak's possible escape routes have been cordoned off in four layers. The joint military-police's operations headquarters plans to arrest the fugitive armed North Korean agent, if possible, or to shoot him at the moment he is found.

An official of the operations headquarters said, "As the fugitive agent, Pak, is presumed to be carrying no food with him, he is expected to attempt to escape from the blockaded area sooner or later. In addition to the intensive search operation around Mt. Soksong, guards at the outer perimeter areas will be reinforced."

Government Protests DPRK Infiltrations

SK2710031095 Seoul YONHAP in English
0301 GMT 27 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — The South Korean Government on Friday protested North Korea for its sending of armed agents to the South and demanded that such actions be stopped immediately.

Information Minister O In-hwan said in a statement, "The government sternly protests North Korea's provocations in the name of the nation's 70 million people... The North is strongly called upon to put an immediate end to such conduct."

Criticizing that North Korean armed agents' infiltration of the South "is an act going back on the national aspiration for the improvement of inter-Korean relations," the government spokesman warned, "in the event such provocations recur, we will not sit idly and the North Korean authorities should take full responsibility for any consequences arising therefrom."

The statement came in response to a series of recent incursions by armed North Korean agents in Paju County, Kyonggi Province, just South of the Demilitarized Zone, and Puyo County, South Chungchong Province.

Government Confirms 'Spies' Sent by North

SK2710021195 Seoul YONHAP in English
0157 GMT 27 Oct 95

[FBIS Transcribed Text] Puyo, South Korea, Oct. 27 (YONHAP) — The two armed North Korean spies who appeared here last Tuesday [24 October] had been sent to collect information about the situation in South Korea and to accompany a North Korean spy who was already residing in South Korea back to the North, authorities concerned said Friday.

The joint military-police headquarters said they questioned Kim Tong-sik, 33, who had been captured alive after a shoot-out with police and military troopers Tuesday, and confirmed that Kim and Pak Kwang-son, 31, another North Korean agent who fled the shoot-out scene Tuesday, infiltrated South Korea on Aug. 29.

They left Haeju city, Hwanghae Province, around 6 PM on Aug. 29 aboard a midget submarine and arrived on the coast of Kanghwa Island in the West Sea [Yellow Sea] around 00:10 on Aug. 30.

They arrived in Puyo, South Chungchong Province, on Sept. 15 via Seoul, Songnam and Taejon cities, to make contact with a North Korean agent who has allegedly been operating there for the last 10 years.

They first visited Chonggak-sa Temple on Sept. 15 to inspect the location where they were supposed to

meet a third agent and went there again on Oct. 24 at which time they exchanged gunfire with police, the joint headquarters said.

Kim Tong-sik was born in September 1962 at Namchangri, Yongyon-kun County, South Hwanghae Province, North Korea, and graduated from Namchang High-School there in July 1980.

Since his grandfather was killed by U.S. soldiers during the Korean war, his family was designated a 'patriotic family' and that helped him to be selected as an agent.

He resides at Inhung-tong, Moranbong-ku in Pyongyang along with wife and daughter, according to the headquarters.

Second DPRK 'Intruder' Shot in Gunfight

SK2710113895 Seoul YONHAP in English
1114 GMT 27 Oct 95

[FBIS Transcribed Text] Puyo, Oct. 27 (YONHAP) — The armed North Korean intruder who was captured Friday morning near here in a four-day manhunt, was in a brain-death condition due to a gun-shot wound suffered on the head in a shootout shortly before his capture at 11:05 A.M.

A source at the joint military-police search team said the agent, identified by his earlier-captured colleague as Pak Kwang-nam, 31, was caught on a mountain near Ungdong village, Chochon-myon, Puyo County.

Seeing his pursuers approaching, the source said, Pak opened his pistol at the hunters as he was running away. One of the pursuers from the 203rd Special Attack Brigade shot at him on the leg and head.

For reasons not explained, the joint team refused to describe his present condition.

But, a source said the seriously wounded agent was first taken to the Army Second Training Center Hospital at Nonsan and then to the Seoul Integrated Military Hospital where, the source said, he was found to be in a vegetative state.

At the time of the capture, four rounds of ammunition were contained in his Belgian-made Browning pistol. Found in his wallet were 1,500 dollars in 100-dollar bills, 90,000 won and a telephone card.

The location he was shot and caught was 3km from the Chongkak-sa temple where he, along with his colleague, was first sighted and about 800 meters away from the outer perimeter of a mountain area which the search team blockaded tightly in the belief he couldn't escape the sealed area.

Dies During Treatment

**SK2710040195 Seoul KBS-1 Radio Network
in Korean 0320 GMT 27 Oct 95**

[FBIS Translated Text] Armed agent Pak Kwang-nam, who has been pursued by the military and police since he appeared in Puyo-kun, South Chungchong Province, on 24 October, was captured with a gunshot wound and transported to a hospital. But he died. We have a detailed news by reporter Chong Ki-yong from the Taejon Broadcasting Station.

[Begin Chong recording] Armed agent Pak Kwang-nam, 31, who has been pursued by the military and police since he attempted to meet a resident spy on 24 October, was captured with a gunshot wound by the military and police search team at around 1100 [as heard] this morning and transported to a hospital. However, he died at around 1145 [0245 GMT] while receiving medical treatment at the hospital.

Agent Pak Kwang-nam was discovered by the military and police search team at a mountain quarry site in the Kisong village at Sinam-ri in Chocho-myon [as heard], Puyo-kun, South Chungchong Province, and was injured with a gunshot wound in the three parts of his body, such as thigh and face, after fighting a gun battle against the search team, and transported to the Army hospital at Yonmudae in Nonsan. While receiving medical treatment, he died at around 1145 this morning. [end recording]

DPRK To Cordon Off Sinpo Nuclear Site

**SK2710065495 Seoul YONHAP in English
0645 GMT 27 Oct 95**

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — National Unification Minister Na Ung-pae said Friday North Korea would cordon off the Sinpo area on the eastern coast where two light-water nuclear reactors would be built with funds from capitalist nations by installing a barbed-wire fence around the area in a bid to minimize the capitalist influence on its people.

Speaking at a breakfast meeting of the Korean Parliamentarians' Society at the Lotte Hotel, Na, who concurrently is deputy prime minister, revealed the reclusive communist country wants the transportation of personnel and materials for construction of the two reactors for nuclear power generation by air or sea, not by land through the truce village of Panmunjom.

The important thing is that South Korean-made reactors will be supplied to the North to freeze its nuclear arms development program and the use of the South Korean model in the project will make the North's nuclear power plant project a joint inter-Korean undertaking

which may pave the way to North-South cooperation and exchange, he remarked.

As for the recent infiltrations of armed North Korean agents, he, noting the North sent armed agents to the South while "we were delivering rice to them in out of a brotherly love," said the infiltrations showed the North's double character.

North Korea took such measures because it needed to strengthen its grip on its people by creating tension in inter-Korean relations, he added.

The provocations have proved that the North's call for reconciliation and peace is nothing but a propagandistic lie and that the North's scheme to communize the South has not changed at all, he stressed.

Opposition Urges Investigation of Scandal

**SK2510073595 Seoul YONHAP in English
0445 GMT 25 Oct 95**

[FBIS Transcribed Text] Seoul, Oct. 25 (YONHAP) — Opposition parties criticized the ruling camp Wednesday for studying ways to deal politically with the case involving former President No Tae-u's secret fund, demanding complete disclosure of the facts and that legal actions be taken against No.

The main opposition National Congress for New Politics (NCNP) held a guidance committee meeting Wednesday morning at the National Assembly and decided that political negotiations between the government and No's side would not be tolerated.

The party urged the government and DLP to thoroughly disclose the true picture of the secret fund case and to take legal actions against No.

The DLP [Democratic Liberal Party] was reportedly studying ways Wednesday on how to ask No to disclose the complete truth regarding the secret funds, apologize to the people, donate his assets to the state and move back to his native region — Taegu city.

NCNP spokesman Pak Chi-won said, "If the ruling camp takes steps to settle the secret fund case politically, then the people will not tolerate it. After uncovering the whole truth about the secret fund, the government should deal with former President No in accordance with laws."

The opposition Democratic Party (DP) asserted that there is a plot to minimize and distort the case in order to end it with just an apology from No and a donation of his assets.

Rep. Yi Kyu-tack, spokesman of the opposition Democratic Party (DP), said, "If the current government tries

to cover up or minimize this secret fund case in order to end the investigation at the earliest possible date, then it will face protests from the people and unfortunate things will follow."

Meanwhile, the opposition United Liberal Democrats are demanding that regardless of what No does the government must conduct a thorough investigation of the secret fund scandal.

Kim: 'Secret Fund' Being 'Thoroughly' Probed

SK2610020095 Seoul YONHAP in English
0020 GMT 26 Oct 95

[FBIS Transcribed Text] New York, Oct. 25 (YONHAP) — President Kim Yong-sam said Wednesday [25 October] that the secret political fund scandal involving former President No Tae-u is "thoroughly" being probed and that if necessary he will take additional steps to resolve the matter upon his return home.

At a breakfast meeting held Wednesday with the South Korean press corps stationed in New York City at the Waldorf Astoria Hotel where he is staying, the chief executive said, "The secret fund scandal is being investigated thoroughly with no sanctuary left as instructed. Upon receiving a detailed report on the scandal from Prime Minister Yi Hong-ku after returning home, I'll take additional steps if necessary."

President Kim then left for Honolulu, Hawaii, the last leg of his 18-day American tour, wrapping up a five-day stay in New York City during which he addressed the special United Nations summit marking the 50th anniversary of the world body and held separate summit talks with leaders from ten countries.

Referring to inter-Korean relations, Kim called upon North Korea to release the South Korean trawler Usong 86 and its crew which have been detained in the North the past several months and urged them to suspend slanderous broadcasts against the South.

"These are prerequisites to resolving strained South-North Korea relations and to resuming an inter-Korean dialogue," Kim explained.

"I want to see Korea reunited in a peaceful way," he added.

Additional Funds Found in No's Account

SK2610113995 Seoul YONHAP in English
1120 GMT 26 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The secret fund ex-President No Tae-u deposited at the Shinhan Bank's Seosomun branch was found to reach

72.2 billion won, 23.7 billion won more than the 48.5 billion won earlier known.

An official at the central investigation department of the prosecutor-general's office said Thursday careful checks showed that the money deposited in four Shinhan accounts opened under borrowed names totaled 72.2 billion won, of which 43.4 billion won still remain in the accounts to date.

The 72.2 billion won were found to have been put to the four accounts in a 13-month period from March 1992 to March 1993. No stepped down from the presidency in February 1993 upon the expiration of his term.

Yi Hyon-u, chief of the Presidential Security Service under the No administration, told the prosecution earlier he had managed No's secret fund of 48.5 billion won in four accounts of Shinhan's Seosomun branch.

The additional finding brings to 99 billion won the total of No's secret fund uncovered so far.

Thursday morning, the prosecution said they found No's another secret fund of 26.8 billion won in a borrowed-name account at the Dong-A Investment and Finance Corp.

A prosecution source said No's secret fund is likely to swell as the prosecution were tracing the flows of money at suspected accounts of 11 financial institutions.

The source said that in another scoop, the prosecution found the existence of a false-name (Arum-hoe) account at the Hyoja-tong branch of the Commerce Bank and that large amounts of money withdrawn in checks from the Arum-hoe account were found to have been put to the four Shinhan accounts at issue.

"We strongly suspect that the Arum-hoe account, too, is one of No's secret-fund accounts," the source said.

Parties Demand Legal Steps Against No

SK2610112495 Seoul YONHAP in English
0928 GMT 26 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 26 (YONHAP) — The ruling and major opposition parties on Thursday called, in their respective resolutions, for a thorough probe into former President No Tae-u's huge secret funds and legal actions against him in case his wrongdoings were found.

In a resolution adopted at a party Executive Council meeting held under the chair of party Chairman Kim Yun-hwan, the ruling Democratic Liberal Party demanded that No should disclose the whole picture of his secret funds on his own and legal steps be taken against him in case wrongdoings were found on his part.

The DLP resolution said there cannot be any coverup or abridgement of the case.

"If irregularities subject to legal action were found in the investigation, any persons responsible for such wrongdoing would have to be dealt with sternly in accordance with law," it said.

The opposition National Congress for New Politics (NCNP), too, adopted a resolution at a joint meeting of party affairs members and lawmakers, calling for the confiscation of No's all properties amassed.

The seven-point resolution also demanded among other things that all the secret funds raised under the No Tae-u administration be laid bare, No be banned from leaving the country, and legal actions be taken against all those involved in raising secret funds.

"No should no longer try to conceal his funds or to obtain a political compromise with the incumbent administration, and thereby humbly await legal judgement," it said.

Kim Tae-chung Received Money From No

SK2710014595 Seoul YONHAP in English
0127 GMT 27 Oct 95

[FBIS Transcribed Text] Beijing, Oct. 27 (YONHAP) — President Kim Tae-chung of South Korea's main opposition National Congress for New Politics (NCNP) admitted Friday he had received 2 billion won (2.6 million U.S. dollars) from former President No Tae-u during the 1992 presidential election.

In a breakfast meeting with South Korean reporters at his hotel, he explained that during the election one of No's secretaries had visited him and delivered 2 billion won, saying it was simply a "greeting."

"I accepted the money because it carried the nature of 'consolation' and because No didn't attach any conditions to it, and I want Mr. No to explain about this point," he said.

"I have information that (during the 1992 presidential election) Mr. No gave candidate Kim Yong-sam hundreds of billions of won through a certain lawmaker and he should also make public this money," he stressed.

He added that he had never received any other political funds from the former president.

Kim, now visiting Beijing, ran in the 1992 presidential election on the then-opposition New Democratic Party ticket.

DLP Reacts to No's Apology on Scandal

SK2710083395 Seoul YONHAP in English
0807 GMT 27 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — The ruling Democratic Liberal Party (DLP) affirmatively evaluated former President No Tae-u's open apology regarding the "secret fund" scandal, but urged the prosecution to uncover the whole truth behind the scandal to eliminate any public suspicion.

In a comment, DLP Spokesman Rep. Son Hak-kyu said the ruling party "affirmatively evaluates" the former president's apology to the people and his expression of willingness to respond to the prosecution's interrogation.

The spokesman said that his party expects the prosecution to make a thorough investigation of the details concerning the secret fund so that the people will not have even a shred of suspicion.

However, party Chairman Kim Yun-hwan and Secretary-General Kang Sam-chae did not make any comment about No's statement.

A party official said that the DLP's key members, who gathered at the chairman's office to watch No deliver his statement, were so "dumbfounded" by No's remarks that nobody was able to bring forward any official comment or idea.

No Admits Raising Secret Fund of 500 Billion Won

SK2710054995 Seoul YONHAP in English
0543 GMT 27 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — Former President No Tae-u admitted Friday that he had raised about 500 billion won (650 million U.S. dollars) in what he called "fund for ruling" while in office, adding that 170 billion won was left unused when he retired in early 1993.

In a statement he read to a press conference held at his residence around 11 A.M., the former president apologized to the people for the secret fund scandal and said he is ready to proceed to law-enforcement offices to undergo any interrogation, if necessary.

He said raising secret funds deserves the blame of the public and that failing to dispose of the funds in a useful manner is much worse, adding he would willingly accept any judgment and any punishment the people will pass upon him.

The former president explained that he had collected the funds chiefly from businesses in the form of donations and used the money for political activities, such as

operating funds of the then ruling party, under his responsibility.

Some of the money was used to aid destitute people and those who worked devotedly for the nation, he explained. But he did not say anything about the funds he allegedly used to support the election campaigns of some candidates in the 1992 presidential election.

As for the remaining 170 billion won, No explained that a large portion of the fund was left unused because of changes in the political situation, such as the inauguration of the "neutral cabinet" right before the 1992 presidential election.

"I will do whatever I can do to atone for the sins I've committed and to soothe the wounds of the people," he said.

Expressing a hope that no one except him will be affected by the "indelible wrongs" he committed, No said, "it is my earnest and ultimate desire that, in particular, businessmen, who are working hard amidst severe international competition, are not discouraged by the incident."

He claimed that the "fund for ruling" was inevitable in the "political culture and election climate" at the time of his presidential tenure, saying, "but I am totally accountable for failing to crack down on the wrongful practices of the past."

However, he did not elaborate on the details about how he raised the slush fund, where he spent the money (including any assistance to 1992 presidential election campaigns) or where the remaining funds are stashed.

"I've lost the chance to return the fund to the country and the society due to various circumstances," he insisted. "Why is such a huge amount of money necessary for me now that I am returning to the life of an ordinary citizen?"

He continued that all responsibilities for the money scandal rests with him. "I am ashamed that I was a former president. I am standing before the people not to ask their pardon, but to make a sincere apology for the 'money for ruling' that shocked the people enormously."

Swiss Asked To Probe No's Bank Account

SK2710025695 Seoul YONHAP in English
0240 GMT 27 Oct 95

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — The Foreign Ministry will ask the government of Switzerland to look into allegations that former President No Tae-u has a huge sum of money stashed in a Swiss Bank account if law enforcement authorities

make such a request with hard evidence supporting the claim, a Foreign Ministry official said Friday.

"It, however, will be very difficult for us to formally file such a request with the Swiss Government if South Korean law enforcement authorities cannot come up with hard evidence to present to the Swiss Government," said Pak Chan-chin, director of the Ministry's West Europe Division I.

Pak noted, as an example, the case involving former Philippine President Ferdinand Marcos saying, "The government of Switzerland voluntarily decided to return Marcos' money that was in a secret Swiss bank account to the Philippines because the Philippine authorities presented hard evidence of the secret account."

Chances, however, are not very high that any light will be shed on the alleged No-Swiss fund considering the fact that Swiss banks have many such cases.

The official added that his ministry has yet to receive any request from the prosecution or any other law enforcement authorities to formally file a request with the Swiss Government to have them investigate the alleged secret bank account of No.

First Secretary Schoenen Berger [name as received] at the Swiss Embassy here meanwhile said that his government will start an investigation into the alleged secret bank account of No if the South Korean Government provides well-founded documentation.

"They (Swiss law enforcement authorities) normally cooperate with governments of foreign countries which formally request their cooperation and check into alleged crimes (involving secret bank accounts) in any Swiss bank," the Swiss diplomat said.

"Those crimes are also punishable in Switzerland," Berger said.

He said that the Swiss Government has received over 2,500 requests from foreign countries asking them to investigate alleged secret bank accounts concerning their country, adding the Swiss Government has yet to receive such a request from the South Korean Government.

Opposition parties have long alleged that No Tae-u had funneled to a Swiss bank account up to 100 million U.S. dollars in kickbacks from the procurement of hundreds of F-16 fighters from the United States in an ambitious military build-up program during his reign.

Reports have said that No, at that time, made a decision to purchase the F-16s, although most Korean Air Force pilots recommended the Defense Ministry purchase F-18s because of their superiority in aerial combat.

In addition, a daughter of No's had been caught bringing hundreds of thousands of dollars in cash, tied with bands from a Swiss bank, into the United States a few years ago.

She did not report the money to the U.S. revenue authorities in violation of U.S. law and all the money was confiscated by authorities there, raising speculation that No might have a secret bank account with a Swiss bank.

Hong, NCNP Lawmaker Comment on 'Secret Funds'

*SK2710114395 Seoul YONHAP in English
1106 GMT 27 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — Deputy Prime Minister Hong Chae-hyong said Friday the government may stop giving ex-president's treatment to former President No Tae-u now under public attack for illegally amassing huge personal fortunes.

While testifying at a National Assembly Committee session, Hong said he would discuss with other relevant government offices the possibility of suspending the application of the law on ex-presidents' treatment to a former president found to have been involved in unlawful acts.

"However, I think the issue of revising the law ought to be decided prudently through consultations with relevant offices," he said.

Also at the session of the [National] Assembly Finance and Economy Committee, Rep. Choe Tu-hwan of the National Congress for New Politics (NCNP) said the secret funds ex-President No and his wife raised during No's presidency are believed to reach 3,000 to 3,500 billion won.

He asserted that the total includes 630 to 1,050 billion won raised through the Yulgok arms procurement project, 23.7 billion won through the Sangmudae project, 1,000 billion won through the high-speed train and new airport projects and 270 billion won through nuclear power projects.

Also included were 140 to 280 billion won obtained through golf course permits, 300 billion won through the Suso incident, 20 billion won through the sale of a DLP [Democratic Liberal Party] training center, and 500 billion won contributed by business tycoons, Choe said.

Representative: Kim Chong-pil Received Funds

*SK2710131695 Seoul YONHAP in English
1135 GMT 27 Oct 95*

[FBIS Transcribed Text] Seoul, Oct. 27 (YONHAP) — Rep. Pak Kye-tong of the Democratic Party claimed Friday a large secret fund of more than 10 billion won was deposited at the bank account of Kim Chong-pil, now head of the United Liberal Democrats, during the days of his service as chairman of the ruling Democratic Liberal Party.

Pak, who first exposed the existence of clandestine bank accounts containing No's secret fund, said this was confirmed during the then Prosecutor Ham Sung-hui's probe into the case of secret funds handled by the Donghwa Bank.

In a speech at a party local chapter meeting at Sochon, South Chungchong Province, Pak also said No Tae-u has hidden properties worth 200 to 300 billion won in all in addition to the 170 billion won No said he has.

No's properties which Pak said were "legally concealed" include an office building at Kangnam in southern Seoul, a land of 12,000 pyong (39,600 square meters) in Suwon and a factory site extending 7,000 pyong at Osan, Pak said.

Article Sketches No's 'Payoff Scams'

*SK2510050995 Seoul THE KOREA TIMES in English
25 Oct 95 p 3*

[FBIS Transcribed Text] The public is very concerned over whether or not the prosecution will investigate a series of alleged payoff scams that involved the No Tae-u administration, as it has expanded its investigation into a secret fund of the former president.

The prosecution's decision to conduct an allout investigation followed confirmation that no was the owner of over 45 billion won in borrowed name accounts at a Shinhan Bank branch.

Speculation is rife that that sum might be only a fraction of what he really has stashed away. Fueling this is the fact that there were numerous allegations of payoffs involving the No administration and businesses that were settled without implicating No, although suspicions of his involvement were very strong.

Tens of billions of won was alleged to have been handed over to the No administration in each such scam.

The following are some of the payoff scams that took place while No was in office or happened after he left office.

Donghwa Bank Scandal

The Supreme Public Prosecutor's Office (SPO) arrested An Yong-mo, then president of Donghwa Bank in April 1993 right after President Kim Yong-sam took office for allegedly managing a secret fund of 2 billion won taken from the bank. Around 300 million of that was confirmed to have been handed over to close aides of No.

The prosecution also arrested three presidential aides and wrapped up the investigation, while explaining the rest of An's secret fund was used for personal expenses.

The scandal came to focus recently as a prosecutor-turned lawyer, involved in the investigation, alleged in his book that he traced the secret fund back to 10 influential political figures but he had to halt the investigation upon instructions from "above."

SPO Secret Probe Into No's Secret Fund

Rumors made their rounds in the legal circle that the SPO launched an unannounced investigation into No's alleged secret funds, questioning senior executives of the country's top 30 business conglomerates last year.

It was an open secret that the prosecution halted its investigation on instruction from high up when it was about to divulge the existence of huge sums of money hidden under false and borrowed names in Seoul banks.

Businessmen, questioned about their political contributions, testified that Yi Hyon-u, ex-chief of security for former president No arranged their meetings with the former president but the meetings were held one on one between No and them.

It is said that no lodged a protest against the investigation and the incumbent administration accepted it, ordering a halt to it.

KEPCO Scandal

An Pyong-hwa, former president of the Korea Electric Power Corp., was arrested in August 1993 for receiving kickbacks of hundreds of billions of won in return for favors in the selection of builder of nuclear power plants.

Opposition parties asserted that the kickbacks An received amounted to 170 billion won, one tenth of what the contracts were worth. That huge sum of money was said to have been funneled to the No administration.

It was also said that the No administration acquired a secret fund of 90 billion won in kickbacks given in the process of selecting builders for power plants.

Yulgok Military Buildup Scandal

An "astronomical" amount of kickbacks were said to be funneled into the No administration in the execution of the Yulgok military buildup projects. The Yulgok plan is aimed at modernizing Korea's military hardware, costing 30 trillion won over 30 years beginning in 1974.

In the multi-billion-dollar Korea Fighter Program (KFP), the crown jewel of the Yulgok plan, the No administration chose the F-16 of General Dynamics as Korea's future main fighter plane, abruptly reversing its previous selection of the F-18 of rival McDonnell Douglas. That abrupt change of mind was alleged to have resulted from huge amounts of money handed over to the No administration.

Seoul-Pusan High Speed Rail

Suspicion was strong that large amounts of money were funneled into the No administration in the selection of rail constructors and a rolling stock provider for the high-speed rail project that is estimated to cost 15 trillion won.

Oppositionists assert that the over-all cost was double that initially estimated and the price of rolling stock from GEC-Alsthom was twice as much as the initial estimate. They also alleged that much of the kick-backs acquired from the project had formed the bulk of No's secret fund of 400 billion won.

Article Views Reactions of No's Cohorts

SK2510044395 Seoul *THE KOREA TIMES* in English
25 Oct 95 p 2

[FBIS Transcribed Text] Rep. Pak Chol-on, vice president of the United Liberal Democrats [ULD] led by Kim Chong-pil, said the on-going secret fund issue is something former president No Tae-u has to pay a price for.

The "crown prince" under No, Rep. Pak said although this matter will cause No much pain, there is no way out for him. Rep. Pak is a cousin of No's wife.

Rep. Pak himself went to jail for accepting bribes from the nation's leading slot machine operation kingpin Chong Tok-chin. He warned No not to back President Kim as the ruling Democratic Liberal Party's candidate, fearing something like this might happen.

According to Pak, the present administration led by President Kim knew all about No's secret political fund and was simply waiting for the right moment to use it politically.

Rep. Kim Pok-tong, also vice president of the ULD, demanded that No's slush fund issue be thoroughly investigated in a meeting of party leaders.

However, his demand is not taken seriously because of his special relationship to No. He was No's classmate at the Korea Military Academy and he is No's brother-in-law.

He went on to say that the Kim Yong-sam administration cannot be disassociated with No's. Although he wants the secret fund exposed from head to tail, he

doubts this will come to pass because of the structural ties between the present and the preceding regime.

Rep. Kum Chin-ho, whose wife is No's sister-in-law, is out of contact. Even his chief aide does not know where he is.

A large group of ULD lawmakers suspect the current political scandal is only a signal of another grand overhaul of the political structure for a generational shift.

Brunei, Malaysia & Singapore

Malaysia

Minister Delivers Budget; Projects Growth

BK2710104095 Kuala Lumpur Voice of Malaysia in English 0800 GMT 27 Oct 95

[FBIS Transcribed Text] Malaysia will be able to achieve a growth rate of 8.5 percent next year. This growth rate will be attained against the background of price stability and improvement in external payment position. Deputy Prime Minister and Finance Minister Datuk Sri Anwar Ibrahim said this in the preface of the 1995-96 economic report.

The report, tabled in the Dewan Rakyat [House of Representatives] together with the budget for next year, provides a comprehensive analysis of the performance of the economy as well as the macro economic issues that need to be addressed. Datuk Sri Anwar said the government is confident that the growth rate of 8.5 percent will be achieved. The resourcefulness of the people, the business acumen of the private sector, the pragmatism of government's policies, and measures to be introduced in the 1996 budget and the Seventh Malaysia Plan will see this through. He also said economic growth will be accompanied with social progress. The government will continue with efforts to create a prosperous, compassionate, and just society.

Datuk Sri Anwar pointed out that the Malaysian economy records another year of robust growth this year. Real growth domestic product has expanded by 9.6 percent. This is the eighth consecutive year the economy has attained growth averaging above 8 percent. The vibrant growth was underpinned by continued strong export performance led by the manufacturing sector. Capital investments continue to expand strongly, reflecting the high level of business confidence in the Malaysian economy. While the sustained growth, high growth of the economy, has enabled Malaysians to enjoy a higher level of prosperity, it has generated some strains on the economy, especially inflationary pressures, labor shortages, and deficit in the current account of the balance of payment.

The finance minister said the government is fully aware of these problems, but various measures have been and will continue to be undertaken to address the constraints. This is to ensure the nation will continue to maintain strong sustainable growth over the medium and long term.

Datuk Sri Anwar is presently delivering his budget speech in the Lower House of Parliament.

Singapore

Goh Meets Philippines' Ramos, Chile's Frei
BK2610134995 Singapore THE STRAITS TIMES in English 26 Oct 95 p 7

[Report by Warren Fernandez]

[FBIS Transcribed Text] New York — Prime Minister Goh Chok Tong met Philippine President Fidel Ramos on Tuesday and the two leaders agreed that relations between the two countries were "on track to normal".

They noted that there were some matters and formalities which remained unsettled, but these would be tied up by the foreign ministers of the two countries.

The hour-long meeting was held at the President's suite in the Waldorf Astoria hotel here.

As Mr Goh entered the suite, a relaxed Mr Ramos called out cheerily: "Hello, good morning Chok Tong." The leaders exchanged warm greetings and handshakes.

The meeting at the highest level was the first since relations between the two countries were strained following the hanging of Filipino maid Flor Contemplacion in March for a double murder committed in 1991.

Philippine Foreign Minister Domingo Siazon said last month that he had advised Mr Ramos to normalise relations and appoint a new ambassador to Singapore by December.

But differences arose between the two sides over the procedures to be adopted for the issuing of work permits to Filipino maids who wished to work in Singapore. This is likely to be one of the issues that the two foreign ministers will have to resolve.

During their meeting, Mr Ramos and Mr Goh discussed a wide range of issues, including the Asia-Pacific Economic Co-operation forum meeting in Osaka next month, the Asean summit in December, the Asia-Europe Summit in March, as well as UN-related issues.

Later, Mr Goh also met Chilean President Eduardo Frei. Both leaders expressed satisfaction at the intensification of relations between their countries in the last year.

Mr Frei noted that the economic-reform process in South America had advanced rapidly and countries in the region were now looking forward to exploring economic opportunities in the Asia-Pacific.

Mr Goh said that while Asia was naturally Singapore's prime focus, it would not neglect economic opportunities elsewhere.

The two leaders exchanged invitations to visit each other's countries.

Yesterday, Mr Goh held a closed-door breakfast meeting with the editorial board of the Wall Street Journal at its office in Liberty Street, before leaving for home.

International Money-Laundering Racket Smashed
*BK2710100395 Singapore BUSINESS TIMES
in English 27 Oct 95*

[Received via Internet]

[FBIS Transcribed Text] Singapore — The Commercial Affairs Department [CAD] and U.S. and Canadian law enforcement agencies have busted an international money-laundering racket and recovered \$5.4 million [Singapore currency] stashed in a Singapore bank by drug runners.

Sources said yesterday that with the assistance of the U.S. Drug Enforcement Administration and the Royal Canadian Mounted Police, CAD investigators established that the drug syndicate used couriers to physically transport money into Singapore between 1989 and 1992. The cash was laundered through money-changers here and in the Middle East.

Some of it found its way into Singapore bank accounts maintained by syndicate members and companies.

CAD investigators traced numerous remittances of drug-derived money to an Asian dollar account maintained at a local bank.

Sources said details of the syndicate and its members could not be revealed because inquiries were still going on.

The Asian dollar account was in the name of a person who was arrested recently in Canada for drug trafficking. Singapore sources yesterday would not give his name. He surrendered \$5.4 million from the account last month after the authorities obtained a Subordinate Court order.

Under the Drug Trafficking (Confiscation of Benefits) Act passed in November 1993, it is an offence to launder the proceeds of drug trafficking. The maximum sentence is seven years' jail or a fine of \$100,000 or both.

Sources said yesterday the case underscored Singapore's commitment as a member of the international Financial Action Task Force set up to combat drug trafficking and drug money-laundering. Under the Drug Trafficking (Confiscation of Benefits) Act, all financial institutions, including money changers and brokers, must have a system in place to identify suspicious transactions that could be related to money-laundering activities and must report them to the authorities.

Last year, the Stock Exchange of Singapore issued guidelines to stockbrokers as a precautionary measure against money laundering activities in the securities industry. The guidelines recommend that member firms avoid significant business transactions with customers who fail to provide sufficient evidence of identity.

Cambodia

Ranariddh Questions CPP Dominance Over Justice

*BK2710035995 Phnom Penh PHNOM PENH POST
in English 20 Oct-2 Nov 95 p 3*

[Report by Ker Munthit]

[FBIS Transcribed Text] Prince Norodom Ranariddh has for the first time publicly questioned the Cambodian People's Party [CPP] dominance of the justice system, and called for the urgent establishment of the Constitutional Council.

The Funcinpec [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] leader and First Prime Minister said last week that he was negotiating with CPP to have at least one judge appointed by Funcinpec.

He said he had told Second Prime Minister and CPP leader Hun Sen that it was not fair that everyone in charge of the judiciary was CPP-appointed.

Ranariddh also strongly criticized the justice system, saying that it was corrupt and could not be relied upon for justice by "the poor people."

He urged that the Constitutional Council and the Supreme Council of Magistracy—the top bodies provided for in Cambodia's Constitution—be set up "as early as possible."

Ranariddh's statement followed comments by one of the King's top advisers, Nhoek Chulong, that the lack of a Constitutional Council meant the Government and the National Assembly was functioning unconstitutionally.

Speaking to journalists in the grounds of his house on October 12, Ranariddh said: "As a Prime Minister, I am not happy with our justice. What the justice is running today is not satisfactory to me, maybe satisfactory to others but not to me."

But Ranariddh said it was Funcinpec's own problem that because it had no judges it could appoint no-one to the Supreme Council of Magistracy.

"To be frank, I am now dealing with the CPP [to ask] that on the Supreme Court and so on there should be one representative from Funcinpec."

Two years after the coalition government was formed there were "only CPP" judges and "we should have at least one."

"If we have one we can appoint that man to be a member of the Supreme Council of Magistracy. Immediately, the second step [will be] to set up the Constitutional Council.

"It is in the interests of Cambodia to set up those two bodies which are very important as early as possible.

"Yesterday I told Samdech Hun Sen that [of the people] in charge of justice, there is no one coming from Funcinpec. I think this is not very balanced on the one hand. On the other hand Funcinpec cannot appoint anyone if we are not part of the magistracy."

Ten months after a law governing the Supreme Council of Magistracy was passed by the National Assembly—following repeated criticism that it would entrench the judiciary in CPP hands—the body has yet to begin functioning.

The law provides for a nine member council made up of the King, the Minister of Justice, the Chief Judges and Prosecutors of the Supreme Court and the Appeal Court and three judges elected by the judiciary.

Minister of Justice Chem Snguon recently announced the "temporary" appointment of the three judges—one of whom is no longer a judge but a senior ministry official—until an election can be held.

The Supreme Council of Magistracy, once it begins work, will nominate three members of the Constitutional Council. A further three will be picked by the King.

The last remaining three are to be nominated by the National Assembly. Under an initial deal, Funcinpec, CPP and BLDP [Buddhist Liberal Democratic Party] were to nominate one each.

Political observers, however, say the CPP later argued it should appoint two of three National Assembly nominees, and BLDP none.

Ranariddh said the Supreme Council of Magistracy was urgently needed, not only to clear the way for the Constitutional Council but to ensure "very strict discipline" of judges.

The Prime Minister was scathing about the state of justice in Cambodia, saying it was "not acceptable."

He accused judges of accepting "big money" from businessmen charged with smuggling offenses to acquit them.

Meanwhile, there were many other cases where criminals had not been punished harshly enough by the courts.

He cited a Stung Treng murder case where a convicted killer received a four-month suspended jail sentence.

"How can you afford to do something like this," Ranariddh asked.

"The poor, small people have to be protected... [ellipses as published] I think that the poor people will not be protected by the law and "the court."

Khmer Institute of Democracy president Dr. Lav Mong-hay praised Ranariddh's calls for the two councils to be formed soon, and said the Prince was "doing the right thing."

Mong-hay said most important was that the magistrates' council comprise competent, independent people.

"Ideally, for the sake of the rule of law and of the whole nation, we should have members who have no links with any party.

"But we cannot do that. It's impossible because the appointments are made by political bosses."

Meanwhile, Ranariddh has backed off his recent call for the death penalty to be reintroduced in Cambodia for serious crimes, after his suggestion was opposed by his father, King Norodom Sihanouk.

"We have to abide by what His Majesty the King has decided," Ranariddh said.

The King, in two recent statements, strongly opposed the prospect of Cambodia's constitution being amended to allow the death penalty.

Measure on Civil Servants Absent Without Leave

BK2710055395 Phnom Penh PHNOM PENH POST in English 20 Oct-2 Nov 95 p 3

[Report by Ker Munthit]

[FBIS Transcribed Text] Government departments now have the right to freeze wages or fire staff who have been absent without leave for up to three and a half months.

Prak Sok, secretary for civil service secretariat, said that a cabinet of ministers' meeting on October 11 approved the measure, seen as another way whereby the government can prune an over-staffed civil service.

If a worker fails to report to his office after two warnings during 15 consecutive days, his salary and retirement pension would be frozen.

The worker could still have his employment status reserved for another three months, however his or her name would be definitely dropped from the employment list if further notices went without response.

"We have noticed that some people have abandoned their work for five or six months but we had no clear-cut provisions to deal with them. Now, this is the key," Sok said.

Because civil servants only get an average of \$15 a month, many are forced into moonlighting jobs such as moto-taxi drivers or with foreign companies or agencies.

Early this year the government launched a head count which was regarded as a failure. They then raised allowances for senior officials—a move seen by many as further "encouragement" for lowly-paid subordinates to quit.

Sok said that the sub-decree also allowed state employees to apply for leave for up to four years to work for private firms, with their state salaries frozen.

"At least we can reduce the burden on the national budget for a period of time. We are working step by step toward giving sufficient salaries," said Sok. He said that if civil servants feared job instability outside, they could re-apply for their jobs in the government two months before their leave period expires.

"Today, people want to go work for private agencies but they are afraid of losing their status in the state employment," he said. "But I believe that after four years people will feel confident and stable on their jobs and won't find the need to come back."

He said without elaborating that qualified and capable staff would be encouraged not to quit their jobs inside the government.

Meanwhile, the government demoted 425 of its 500 police generals and around one thousand colonels down to just 62. At a ceremony on October 9, Co-Premier Hun Sen asked the Ministry of Interior to carry on the reform down to lower ranks, saying that new ranks officially recognized would deserve no value if there were still too many majors or lieutenants.

He called on police to continue to crack down on acts of violence and especially drugs smuggling which was becoming a threat to national security. For them to be the real guards of national independence and territorial integrity, the police force must be depoliticized with the duty to provide all people with security, he said.

"They [police] are the sole forces of the Royal Government protecting nation, religion, king and all political parties, regardless of their being in the government or opposition," Hun Sen said. "Because implementing

multiparty and free democracy does not allow any political party to use armed forces [as their own] at all," he added.

Indonesia

Suharto, IMF Chief Meet in Washington

BK2710090895 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 27 Oct 95

[FBIS Translated Excerpt] President Suharto, Mrs. Suharto, and their delegation attended a dinner reception hosted by Care, a U.S. nongovernmental organization, at Capitol Hill Hotel on Thursday evening Washington D.C. time, or at 0900 West Indonesian Standard Time, today. Earlier, the head of state received IMF Managing Director Michael Camdessus at the Indonesian Ambassador's Residence.

Here is a live report by Hardiyanto contacted through Indosat- operated IDD with the access code 001 from Washington D.C. on President Suharto's activities:

[Begin recording] [Hardiyanto] [passage omitted on dinner reception hosted by Care]

Dear listeners! Indonesia's role in promoting free trade in the ASEAN and the APEC [Asia-Pacific Economic Cooperation] region has in fact drawn the attention of the IMF. IMF Managing Director Michael Camdessus said the Indonesian Government's methods of managing its economy was appropriate. The IMF managing director made these remarks during a call on President Suharto at the Indonesian Ambassador's Residence in Washington D.C. this morning.

Minister and State Secretary Murdiono said after the meeting that Michael Camdessus had hailed Indonesia's efforts to achieve a solution to the multilateral debts of developing countries, particularly the world's poorest countries.

[Murdiono] The two leaders agreed to seriously come up with ways of handling the multilateral debts of developing countries, particularly low-income countries. In this respect, the IMF managing director agreed with the president on handling the problem and said that IMF was taking the appropriate steps.

[Hardiyanto] President Suharto and IMF Managing Director Camdessus agreed to consider a system or ways to maintain the stability of a number of major world currencies because their strong fluctuations will have wide-ranging effects on the global economy and the Third World will be the most affected.

President Suharto is making good use of his two-day visit to Washington D.C. Upon arrival from New York,

the head of state proceeded straight to the Indonesian Ambassador's Residence where he received guests all day. He attended a dinner reception in the evening, or at 0900 West Indonesian Standard Time, today.

President Suharto is scheduled to hold talks with U.S. President Bill Clinton at the White House tomorrow morning local time, or at 2100 West Indonesian Standard Time, tonight before leaving for a state visit to Suriname.

Hardiyanto and Hari Wiharso reporting from Washington D.C. [and recording]

Suharto Addresses Asia Society Dinner Reception

*BK2710094495 Jakarta KOMPAS in Indonesian
27 Oct 95*

[Unattributed report — received via Internet]

[FBIS Translated Text] New York, KOMPAS — President Suharto has said that economic relations between ASEAN and the United States will become stronger in the future because the two sides have mutual interests.

Nevertheless, the two sides will face obstacles and have differing views on various matters in the course of their relations. The president called for any future differences and difficulties to be overcome through dialogue and consensus.

The ability of the two sides to have a dialogue and achieve consensus will become the yardstick of the strength and continuity of their friendship, President Suharto said in his keynote address at a dinner reception hosted by the Asia Society at the Grand Hyatt New York Hotel on Wednesday evening.

"Using better communication to address our differing views and to expand political and economic relations we can enhance our friendship because our friendship is very valuable and will be beneficial in the future," KOMPAS correspondent Taufik Miharja from New York quoted the head of state as saying.

The annual dinner reception was organized to commemorate the 40th anniversary of this influential U.S. organization. The Asia Society has helped Asians and Americans to understand and respect their respective cultures and perspectives in general. It has particularly helped Americans understand and respect Asian cultures and traditions.

At the dinner reception were about 800 businessmen, government officials, and foreign ambassadors. Among them were Maurice R. Greenberg and Frederic V. Salerno from the Asia Society, Dr. Henry Kissinger, and James R. Moffett, chief executive officer of Freeport-McMoran Copper and Gold Inc.

Philippine President Fidel Ramos delivered his speech before President Suharto.

Elaborating on ASEAN

Speaking before the audience, the president elaborated on the developments of ASEAN, including the normalization of diplomatic relations between Vietnam and the United States and Vietnam's admission as the seventh ASEAN member.

The developments have enabled Southeast Asian countries to close the uncertain era and open a new era of cooperation. According to the president, ASEAN has become stronger politically, economically, and strategically with the entry of Vietnam, which has a population of 72 million.

ASEAN, which has been the main vehicle of stability in Southeast Asia, is now the main vehicle of economic cooperation in the whole region. The president hoped that all 10 Southeast Asian countries would become full ASEAN members by the end of the decade. He referred to Cambodia, Laos, and Burma.

The head of state hoped that the positive developments would be welcomed by the United States, which has interests not only in the maintenance of global peace and stability but also in its own economic development. Like the United States, ASEAN has grown thanks to the opening of its market and its export ability. ASEAN has now a combined market of about 420 million people whose incomes are increasing.

Accordingly, ASEAN recognizes the need to adjust itself with the new situation and to try to expand interregional cooperation. The president said Japan, the European Union, Australia, and New Zealand have shared trade and economic interests with ASEAN.

ASEAN welcomes the United States as a partner. The United States must overcome its domestic economic problems through the expansion of international trade.

Also in his speech, the president admitted that development needs participation of the people and then it will become democratic. Indeed, this is our common view enshrined in the national constitution.

Indonesia believes that progress needs new initiatives and knowledge that must stimulate the political process. "Accordingly, we always welcome new initiatives. We are always ready to learn, but you must truly understand that we cannot accept things that we consider incompatible with our national values and sentiments," the head of state said.

To Washington

President Suharto and his delegation proceeded to Washington D.C. on Thursday morning (Thursday evening) [West Indonesian Standard Time]. In the afternoon, the president held talks with House Speaker Newt Gingrich and had lunch with a number of U.S. Government policy researchers and makers at the Indonesian Ambassador's Residence in Washington D.C.

The president met with IMF Managing Director Michael Camdessus later in the afternoon and attended a dinner reception hosted by Care Foundation at Capitol Hill Hotel in the evening.

President Suharto will meet with President Bill Clinton at the White House on Friday morning. Moments later, the president will proceed to Suriname for a two-day visit.

Editorial Optimistic Over UN Declaration

*BK2710084195 Jakarta SARA KARYA in Indonesian
27 Oct 95 p 5*

[Editorial: "The United Nations Declaration and the Nonaligned Movement"]

[FBIS Translated Text] The UN General Assembly's special session in New York ended on 24 October night with the issuance of a 17-point declaration. Reviewing the points thoroughly, it is no exaggeration to say that what was voiced by the Nonaligned Movement (NAM) during its 10th summit in Jakarta in 1992 and reaffirmed by President Suharto in his speech before the UN General Assembly's special session was the essence of the declaration.

The declaration reiterated, among other things, the United Nations' current mission to save people from the threat of war; this remains as important as it did at the end of World War II (prior to the formalization of the United Nations). In order to fulfill the mission, the declaration stressed that the United Nations should undergo reforms and modernization. The declaration also stressed the need to revitalize the UN General Assembly and expand the UN Security Council membership and revise its working methods with the objective of strengthening its capability and effectiveness.

The declaration has also renewed the commitment of all UN member countries to overcome the hardships facing the world's poor population and to guarantee an equal role for women in every country. The most worrying thing is that a fifth of the world's 5.7 billion population is still living in extreme poverty. The declaration also reiterates that democracy, development, and respect for

human rights — including the right to expand — are interdependent and mutually reinforcing.

From the various basic elements in the declaration adopted at the UN General Assembly's special session, as cited earlier — apart from the stress on the importance of saving the United Nations from its financial crisis, it is also right to say that NAM's struggle since its 10th summit in Jakarta, which was later enhanced at the end of the 11th summit in Colombia, has reaffirmed the United Nations' commitment to the missions entrusted to it since its birth 50 years ago.

The United Nations has done many things during the 50 years of its existence and the world is indebted to it, as President Suharto said in his speech before the UN General Assembly's session. However, Suharto said the United Nations should become more effective in guaranteeing peace in the post-Cold War era. The declaration also stressed the need for efforts to make the United Nations play a more effective role in world affairs.

In essence, the declaration adopted at the UN General Assembly's special session adopted various viewpoints put forward by NAM at its 10th summit in Jakarta. The question is to what extent the strategic viewpoints on reforming and revitalizing the United Nations to further enhance its role in maintaining world peace will become a reality.

For this reason, by stepping up cooperation among NAM member countries, making the silent diplomacy [preceding two words in English] more effective — as cited by President Suharto in his keynote address presenting his work report as the chairman of NAM for 1992-95 period at Cartagena, Colombia — and strengthening the NAM Caucus in the UN Security Council, we are optimistic that the declaration issued at the end of the UN General Assembly's special session will become a reality. Implementation of the declaration is the United Nation's only choice for the sake of its existence and authority.

Thailand

Editorials Discuss Potential U.S. Sanctions

BK2610155495

[FBIS Editorial Report] On 26 October, three Thai-language dailies — SIAM POST, THAI RAT, and MATICHON — carry editorials commenting on the controversy over a report that says Thailand is one of the countries blacklisted by the United States and is facing U.S. economic sanctions. The report came in the wake of U.S. President Bill Clinton's address to the UN session in New York on 22 October during which

he called for international efforts to combat crime, drug trafficking, and laundering of drug money.

SIAM POST's 800-word editorial on page 4, entitled: "The UN and the Drug Problem," reviews President Clinton's address, especially his threat to use economic sanctions against countries that allow drug trafficking money to be laundered. The paper admits that the drug problem is a serious danger and that all countries should be contributing to solve the problem. Noting that the Golden Triangle in Burma's Shan State was a major source of opium production, the paper does not feel that drug kingpin Khun Sa's announcement to give up opium cultivation and heroin production was sincere. "It looks like he was just putting on a big show to hoodwink the entire world, especially the United Nations," the editorial says.

"There was evidence that Khun Sa had shifted from producing heroin to producing amphetamine of a special quality and a special price to market worldwide, using Thailand as a transit point. Thailand is facing a heavy burden in narcotics suppression," the paper says, adding: "Thailand is alone in its fight against drug trafficking. Its neighbors, such as Burma, Cambodia, and Laos have adopted a different law on this matter. In certain that in those countries, people over 50 are allowed to grow opium poppies."

The paper says both the United Nations and the United States have a tough job ahead of them in narcotics suppression. "For Thailand, the problem is even more difficult to tackle as its politicians are said to be involved in the drug trade — and politicians are much more powerful than gangsters," the editorial says.

THAI RAT's page-3 editorial, "Thailand on U.S. Black-list?" also reviews President Clinton's address in detail. The 800-word editorial notes that: "What was of concern here was a report by REUTERS quoting U.S. officials as saying that Thailand was one of the countries on the U.S. blacklist because it allows the laundering of money earned from drug trafficking, and now Thailand is facing economic sanctions."

The speech by President Clinton and further comments by U.S. officials came at about the same time as the visit by the Thai prime minister and his delegation to attend the UN Assembly session in New York. One member in the prime minister's delegation is Colonel Thanat Khoman, who has been assigned by the prime minister to chair the committee "to investigate two leading politicians of the Chat Thai Party, whose applications for entry visas into the United States were rejected on the grounds that they were suspected of involvement in drug trafficking."

The United States did not seem to recognize the Thanat-led committee; the committee chairman threatened to expose U.S. interference at the UN forum. The editorial voices concern that: "The two issues might affect Thai-U.S. relations and that would automatically affect the Thai economy as a whole."

MATICHON says in its 900-word editorial, on page 22, entitled: "A Warning From Clinton," that Clinton's speech was not a surprise because the United States has always acted as the world police. "Although the U.S. president did not name specific countries in his address, U.S. officials leaked the names of about 11 countries that were targeted for U.S. sanctions — and Thailand was included," the paper says. It adds that this must have caused embarrassment to the Thai prime minister who was in New York attending the UN session. The paper suggests that the Thai Government should tell the U.S. leaders that Thailand is drafting an anti-money laundering bill and that the bill will be introduced to the parliament soon. "The Thai leader should give some assurance to U.S. officials if it has a chance to do so," the paper says.

In conclusion, it says: "The current problem between Thailand and the United States is really a problem between the government of the Chat Thai Party and the U.S. Government concerning international drug trafficking, and they chose to use the UN forum as their venue. Whether or not the issue will be overblown depends on the attitude of the chairman of the Public Hearings Committee of Thailand." The paper appeals to both Thailand's leader and his team of advisers to think about national interests by finding a balance between "their loss of face," and national losses.

Government Leaders View Money-Laundering Bill

BK2710040195 Bangkok *THE NATION* in English
27 Oct 95 p A 3

[Unattributed report]

[FBIS Transcribed Text] Government leaders came out yesterday to guarantee that an anti-money laundering bill would be passed by Parliament early next year, in response to a statement by US President Bill Clinton which caused a major stir here this week.

"The bill will be passed one hundred per cent," said PM's Office Minister Prasong Buranaphong.

"I don't think there will be any MP crazy enough to vote against it."

But Senate Speaker Michai Ruchuphan yesterday questioned the wisdom of creating a brand new law, saying the present anti-drug law could curb money laundering if effectively enforced.

"Are we dancing to the US' tune?" said Meechai. "Now people are saying we don't have an anti-money laundering law. The fact is we don't have the same law as the United States."

He said the 1991 anti-narcotics law provides for a high-level committee, led by the chief of the Office of Narcotics Control Board, empowered to investigate assets allegedly linked to drug trafficking, and to order seizure of the assets if need be.

The high-level committee has enough investigative power and banks, the stock market and other financial institutions must cooperate, insisted Meechai.

The anti-money laundering bill was initiated during the Chuan government but stalled because of the House dissolution in May. Deputy Chat Phattahna leader Kon Thappharangsi yesterday criticized the Banhan administration for failing to follow up on it.

Government House sources said now the Cabinet Secretariat was scrutinizing the bill by seeking opinions from related agencies. Most of the agencies have submitted their replies except the two crucial ones—the Finance and Justice ministries.

Finance Minister Surakiat Sathianthai, who returned from a US trip yesterday, vowed to support the anti-money laundering bill.

"In principle we agree with the bill, but we are looking for measures to ensure the new law cannot complicate the operations of financial institutions," Surakiat said.

The proposed law would allow drastic state intervention concerning suspicious transactions.

Government politicians yesterday also questioned Finance Permanent Secretary Chatumongkhon Sonakun's reported statement that he once saw an official US report in which Thailand was on a drug "watch list".

Finance Minister Comments

*BK2710032595 Bangkok BANGKOK POST
in English 27 Oct 95 p 3*

[Unattributed report]

[FBIS Transcribed Text] The anti-money laundering bill currently being considered by the Government must not contradict the free and open financial policy of the country, Finance Minister Surakiat Sathianthai said yesterday.

Mr Surakiat said that though such a law would help prevent the laundering of drug money, he did not want to see it interfere with financial operations in a way that contradicted the free and open financial policy.

He was speaking after returning from the United Nations' 50th anniversary celebration in New York.

Mr Surakiat said one point to consider is how to make the country's financial institutions be regarded without criminal suspicion and to make them solely responsible for just reporting information.

He said another point is how the new law would deal with the stock and the capital markets which have a large volume of fast-paced business activities.

"How will stock and capital companies have to report their information to the law?" he asked.

He said Thailand has been working on the anti-laundering law for sometime and was not just doing it under American pressure. The Office of the Narcotics Control Board is responsible for drafting the law and it has been sent to various concerned agencies including the interior, the finance and the justice ministries, for their opinions.

During his speech to the UN last Sunday, US President Bill Clinton announced unilateral moves to combat terrorism drug trafficking and crime.

He threatened economic sanctions against countries which do not adopt international standards of anti-money laundering practices and which allow drug money to be "washed" and turned into "clean" money.

US officials later named Thailand as being among countries with a high degree of money laundering activity.

They did not identify what list this was. However, Thailand is on a State Department list, issued in its International Narcotics Control Strategy Report in March 1995, classified among 17 "high priority" countries where money laundering activities were highest.

But the USA itself, the UK, Canada, Switzerland, Singapore, Germany, Hong Kong and Italy were also classified in the same category.

However, the same report certified Thailand as being among countries that have given full cooperation to the US on drug suppression.

Yesterday Mr Surakiat still insisted that Thailand was not on any "blacklist" at all. But he pointed to the same report as listing Thailand as a "certified" country as far as cooperation on drug suppression is concerned.

Permanent Secretary for Finance Chatumongkhon Sonakun, on the other hand, said Thailand should deal with money laundering in the country herself and not allow a situation where it could face US sanctions in the future.

M.R. Chatumongkhon said that though the US is now the sole superpower in the world it was facing a lot of domestic problems and could not deal with money laundering countries the way it would like to.

Because of this the US will have to deal first with countries where there are the most money laundering activities.

He said: "So if we can deal with ourself first before our queue comes, then we will face no sanction from the US. This would be a better way," he said.

He added: "The US believes that Thailand has a money laundering problem and I believe the US will address this problem because it is a matter that concerns their children."

The anti-laundering bill is not about finance but about crime, he said.

Prasan Trairatworakun, deputy secretary-general of the Securities and Exchange Commission (SEC), said that Thailand, as a member of the world community, should implement the money-laundering bill to express its good intentions to help deal with the problem.

In foreign nations' experience, tracing the real sources of money laundering was always done through financial institutions. But Mr Prasan noted that in Thailand's case, this should be cautiously considered, otherwise it could have an undesirable effect because all the banks and most of the finance firms were listed on the SET.

The Thai bourse, he noted tended to be highly sensitive to such moves.

Senate Speaker Michai Ruchupan also said that an anti-money laundering law should take into account the nature of Thai society and whether or not the Thai judicial process is ready to cope with it.

Mr Michai, himself a legal expert, said that Thailand already has a law which can be used to prevent money laundering, the Narcotics Offence Suppression Measures Act of 1991, which took effect during the first Anan Panyarachun government.

The law, he said, empowers authorities to examine, freeze and seize assets suspected to have been acquired through trade of narcotics.

Mr Michai said he had never heard of the law being used to prevent money laundering despite the fact that it has been in effect for four years.

The Office of the Narcotics Control Board (ONCB) should be asked whether there are any problems in the implementation of the law. Prime Minister's Office Minister Phokhin Phonlakun, too, should be asked why the Government has never mentioned this law

when Thailand was referred to in connection with the laundering of dirty money, Mr Michai said.

The Narcotics Offence Suppression Measures Act of 1991 stipulates that there must be a committee to examine assets suspected to have been acquired through wrongdoing.

It is chaired by the chairman of the Counter Corruption Commission and its members include the permanent secretary for Justice, the Supreme Attorney-General, the secretary-general of the Council of State, the director of the Budget Bureau, the directors-general of the Police, Customs and Land departments, and the Governor of the Bank of Thailand.

The law empowers the committee to invite government or state enterprise officials to give information or documents.

The committee can seek information from banks, the SET and financial institutions. Those who fail to cooperate are liable to up to a 10,000 baht fine and/or not more than six months imprisonment.

The law also requires the setting up of the Narcotics Suppression and Prevention Fund. Seized assets acquired through narcotic offences are to go to the fund.

Thaksin Denies Pressing for Cabinet Reshuffle

*BK2710033095 Bangkok BANGKOK POST
in English 27 Oct 95 p 3*

[Unattributed report]

[FBIS Transcribed Text] Phalang Tham Party leader Thaksin Chinnawat insisted yesterday he has never pressed the Government for a cabinet shake-up and only wants to reflect the public's views on the matter.

Any decision on the issue rests with Prime Minister Banhan Sinlapa-acha, said Mr Thaksin who is also a deputy premier.

"I have just tried to reflect what the public thinks about the Government's administration. Personally, I have never thought about pressing the Government for a cabinet shake-up as reported," he said.

Mr Thaksin made the remark in response to Chat Thai Party deputy leader Watthana Atsawahem's strong criticism that it was not for Mr Thaksin to demand a shake-up on Mr Banhan's return from the United States.

Mr Watthana, a veteran MP for Samut Prakan, came out to slam Mr Thaksin's remark shortly after the latter was quoted as saying on Tuesday that the time was ripe for a reshuffle and that he would immediately discuss it

with Mr Banhan when the prime minister returned from the UN meeting in New York.

Mr Banhan is Chat Thai Party leader.

Asked what he would say to the premier on the public's call for a reshuffle, Mr Thaksin said Mr Banhan was well aware of the matter.

"As we are both members of the coalition government, we have to observe the discipline of co-existence. Once I've learnt what the public's sentiments are towards our administration, I myself, as part of the coalition, must pass them on to the premier for consideration."

However, the public's call for a reshuffle does not mean the Government has done anything wrong, said the deputy prime minister.

According to Mr Thaksin there are two alternatives to help improve the Cabinet's image: change certain ministers and their responsibilities or improve the Government's performance.

However, the prime minister must have the final say on the matter, said Mr Thaksin, while also suggesting the Government work harder to improve its administration.

On criticism that the prime minister usually heeds only calls from Chat Thai members rather than those from other coalition parties, the Phalang Tham leader dismissed the charge, saying he believed Mr Banhan would be able to judge well regarding what was deemed appropriate.

BOT 'Optimistic' Over Latest Economic Figures

BK2710040395 Bangkok *THE NATION* in English
27 Oct 95 p B12

[Report by Charuwan Loetwinyu]

[FBIS Transcribed Text] The Bank of Thailand [BOT] remains optimistic that it can keep the country's rising inflation rate and widening current account deficit in check -- although economic figures released yesterday failed to confirm the upbeat stance.

The figures indicate the central bank's targets may be harder to meet than it believes. The nine-month current account deficit is expected to hit [baht] Bt250 billion, a figure very close to the Bank of Thailand's predicted current account deficit for 1995 of Bt257 billion, or 6.3 per cent of gross domestic product.

The Bt250 billion current account deficit was estimated on the basis of rising imports for the first nine months of the year. Imports rose by more than 30.7 per cent to Bt1.272 billion exceeding the full year target of a 22.5 per cent rise. Exports during the same period increased less dramatically by 23.9 per cent to Bt1.004 billion.

The average inflation rate over the past nine months has by far exceeded the bank's five per cent prediction and stands at about 5.4 per cent overall on the back of a 7.3 per cent increase in food prices and a 4.1 per cent surge in non-food prices. In predicting a 1995 inflation rate of five per cent, the Bank of Thailand estimated food prices would increase by 6.6 per cent and non-food prices by four per cent.

But despite figures to the contrary, buoyant Bank of Thailand officials insisted yesterday at a press conference that the economic slowdown in September would reduce the pressure of the widening current account deficit.

Nittaya Phibunsathanakit, deputy director of the Economic Research Department, said one of the key figures which showed the economy had cooled down was the drastic decline of imports in September. The country ran only a Bt17 billion trade deficit during the month, compared to an average trade deficit of more than Bt20 billion over the previous several months.

"The trade deficit in September totalled only a little more than half of the Bt31 billion deficit in August," she noted.

She said the smaller trade deficit indicated that both imports and the economy were slowing.

Other indicators released which help determine if the economy is cooling off are the manufacturing production index and the private investment index.

The Manufacturing Production Index fell to seven per cent in September from August's eight per cent increase over the same period last year. The rise of the Private Investment Index also declined for the second consecutive month to 15.5 per cent from August's 16 per cent.

Nittaya said the economic slowdown could continue well into the fourth quarter. If the country runs a lower trade deficit in the fourth quarter than it did in the previous quarters, "the current account deficit won't be too far off the predicted target," she said.

Other important economic figures released yesterday include the Service Account, for which Thailand enjoyed a Bt12 billion surplus over the past eight months. Capital inflows over the same period hit Bt392 billion.

The balance of payment in the first nine months of 1995 recorded a Bt145 billion surplus. Thailand's official foreign reserves now stand at US\$35.9 billion, or the equivalent of 6.6 months of imports.

For the fiscal 1994-1995 budget year, the government also managed to use only 78.7 per cent of the budget

for government spending, a rate which is lower than the 80-per cent standard and accounts for a small increase of 10.5 per cent from a year earlier.

Bank deposits increased by 19 per cent in September while loans slowed to a 28.5 per cent increase only. However the central bank's loan target for the year is 24.5 per cent.

More details on the economic figures during the first nine months of 1995:

—In the first nine months, agricultural production was generally good due to fair weather and attractive farm prices. However, during the third quarter, 7.8 million rai was flooded, most of which was rice fields. Rice production is forecast to decline during the 1995-1996 season to 17.2-17.7 million metric tonnes from 18.2 million metric tonnes.

Likewise, fishing products are expected to decline 4.5 per cent from 7.7 per cent in the previous year after Burma revoked its fishing concession to Thailand in August.

—Industrial production in the first nine months expanded quite actively. The Industrial Production Index rose to 11.8 per cent from 9 per cent the same period a year ago. The most active industries included those in the petroleum, automobile, and transport sectors.

In the food sector, production rose by 13.2 per cent compared to 7.4 per cent the same period last year thanks to the fair weather and brisk exports.

—In the service sector, foreign tourists coming to Thailand during the nine months increased 13.9 per cent compared to 5.2 per cent a year ago.

—Private consumption still expanded at a high rate in the past nine months thanks to the rise of farmers' incomes which increased by 26.6 per cent compared to 13.5 per cent in the same period last year. The rise in consumption was also propelled by the revenue increase from tourism, exports, and the salary increase for state enterprise and private sector employees.

—Public spending rose 20.9 per cent compared to 14.2 per cent during the same period a year ago. This is due to the salary increase of civil servants which took effect in January. Public expenditure on salaries alone rose by 14 per cent compared to 7.3 per cent in the previous year.

—Private investment in the third quarter however slowed from the first half of the year. As at September, the Private Investment Index was at 122.3 compared to 106.4 at the end of September last year and 125 at the end of June, 1995.

In detail, investments in capital goods rose 20.3 per cent from 15.6 per cent during the first nine months of last year. Most of the capital goods imported was machinery used for the construction, automobile, and textile industries.

Vietnam

U.S. Official Visits Veterans Association

*BK2710110495 Hanoi Voice of Vietnam in English
1000 GMT 27 Oct 95*

[FBIS Transcribed Text] American Charge d'Affairs Ad Interim of the U.S. Embassy in Hanoi, [first name indistinct] Anderson, on Thursday visited the Vietnam War Veterans Association.

He thanked the Vietnamese Government and the association for cooperation and efforts in the search for Americans missing from the Vietnam war. He wished for development of bilateral relations and further mutual understanding.

Meanwhile, Senior Lieutenant General Tran Van Quang, president of the Vietnam Veterans Association, expressed thanks to the American-Vietnam Veterans Association for supplying information in the search for Vietnamese soldiers missing in the war. He considered this a specific expression in implementation of the two governments' policy to close the past and build new bilateral ties. He also affirmed Vietnam's continued efforts in the search for Americans missing in action.

Le Duc Anh Meets With World Leaders at UN

*BK2610153695 Hanoi VNA in English
1353 GMT 26 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 26 — While in New York to attend the celebration of the 50th anniversary of the United Nations, President Le Duc Anh on October 23 and 24 had separate meetings with Algerian President Lamine Zeroual, ROK President Kim Yong-sam, Spanish Prime Minister Felipe Gonzalez, and Belgian Prime Minister Jean-Luc Dehaene, according to VNA's correspondent in New York.

At these meetings, the leaders informed each other of the socio-economic situation of their own country, and exchanged views on how to further strengthen the friendly and cooperative ties between Vietnam and each of the countries concerned, for the benefits of each people, and for peace, cooperation, stability and development in each region.

President Le Duc Anh and the other state leaders shared views on the need to positively contribute to the United Nations' noble cause for international peace

and security, for the development and prosperity of all nations, for freedom and equality among nations, big or small, for national sovereignty and territorial integrity, non-interference in each other's internal affairs, and peaceful settlement of all disputes.

Also on October 24, President Le Duc Anh and his party toured some cultural and social institutions in New York.

Interior Ministry Delegation Arrives in Rangoon

*BK2710050195 Hanoi Voice of Vietnam in English
1000 GMT 26 Oct 95*

[FBIS Transcribed Text] Myanmar [Burma] Radio on Wednesday reported that the Vietnamese Interior Minister Bui Thien Ngo arrived in Rangoon at the invitation of the Interior Ministry of Myanmar for high-level talks.

The delegation of the Vietnamese Interior Ministry plans to meet with senior members of the Myanmar's State Committee for Restoration of Law and Order.

Development Potential Detailed at Mekong Meeting

*BK2610151995 Hanoi VNA in English
1330 GMT 26 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 26 — Vietnam has called for the regional and international community to take a more active role in various economic cooperation programmes for the Greater Mekong Sub-Region (GMS).

Addressing the recently concluded conference on GMS development in Bangkok, the Vietnamese head delegate said: 'With its geographical location and its responsibility towards the sub-regional community, the Vietnamese Government will stand for and actively involved itself in different economic cooperation programmes initiated by the GMS, thus making a contribution to sub-regional development.'

He said that the existence and prosperity of Vietnam is inseparable from that of the regional and sub-regional community. The head delegate also highlighted Vietnam's favourable conditions for sea port development as well as its irrigation and infrastructure projects now under consideration.

The Bangkok conference drew together representatives from the six countries sharing the waters of the Mekong River, including Vietnam, Laos, Cambodia, Thailand, Myanmar [Burma] and China's southern province of Yunnan.

The GMS conference that took place from Oct. 22-24 was aimed at developing awareness of the market's potential and encouraging corporate planning on a

regional basis. It was held under the joint auspices of the Asian Development Bank (ADB) and the manager media group.

The Vietnamese delegation was led by Mr. Do Quoc Sam, minister of planning and investment.

Talks Held on Taxes, Policies for Oil, Gas

*BK2610161095 Hanoi VNA in English
1321 GMT 26 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct. 26 — A talk on taxes and royalties for Vietnam's oil and gas service was held here yesterday by the Vietnam Oil and Gas Corporation (PetroVietnam) with the assistance of an international consultancy and auditing company, Price Waterhouse.

The talk, the first of its kind in Vietnam, saw the participation of nearly 100 representatives from the Ministry of Finance, Petrovietnam, the General Department of Taxation, and relevant Vietnamese Government agencies.

It also gave special attention to foreign and domestic investors in the fields of oil and gas exploration and exploitation, manifested by the participation of major foreign oil and gas companies such as British Petroleum, Shell, Exxon, Mobil, Total, British Gas, Amaco, Chervon, BHP Petroleum, MJC Petroleum, Statoil, Unocal, Arco, Lasmo, Canadian Oxy, Japan Vietnam Petroleum Co., Idemitsu, OMV, Pedco, AEDC, P.T. Astra, Anzoil and Fina.

During the talk, the participants were acquainted with Vietnam's tax policies on oil and gas services, and discussed issues relating to policies of tax, royalties and laws, with an aim to attract more foreign investment in the oil and gas field.

Encroachments on Hanoi Dike Portion Reported

*BK2710104295 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 26 Oct 95*

[FBIS Translated Text] Hundreds of cases of repeated encroachments onto the five-meter-wide safety clearance corridor of the Yen Phu-Nhat Tan dike portion in Hanoi have been reported since late September 1995.

On the dike portion of the Ba Dinh district alone, as many as 92 cases of repeated encroachments have been noted, including some serious cases involving houses having their third floors — as large as 50 square meters — added illegally. An example of this is a house located at 31 Nghi Tam Street.

Although the extent of the repeated encroachments onto the dike portion in Tu Liem district is less serious, there

have also been up to 14 violations where tents were reported to have been set up to sell goods on the dike portion.

According to a plan, the above repeated encroachments were to have been removed before 20 October 1995. However, activities are, for the most part, just in the initial stage, that is, the stage in which violation reports are made.

National Assembly 26 Oct Proceedings Reported

*BK2610140995 Hanoi Voice of Vietnam Network
in Vietnamese 1100 GMT 26 Oct 95*

[FBIS Translated Text] Today is the 21st working day of the Ninth National Assembly's eighth session. The deputies worked in the conference hall under the direction of Chairman Nong Duc Manh to hear members of the government answer their questions, which were based on the views of voters countrywide. On behalf of the National Assembly Standing Committee, Chairman Nong Duc Manh presented a report on the implementation of the regulations on the rights and duties of Vietnamese organizations that have received or rented land. Afterwards, the National Assembly deputies heard the following:

—Answers from Comrade Ho Te, minister of finance, to questions concerning public debt settlement, second stage, and the collection of land use taxes and other fees;

—Answers from Comrade Le Van Triet, minister of trade, to questions concerning the imports of sugar and used motorcycles;

—Answers from Comrade Minister Dau Ngoc Xuan, head of the State Committee for Cooperation and Investment, to questions concerning foreign investment in Vietnam and the transfer of technologies and equipment to our country;

—Answers from Comrade Tran Dinh Hoan, minister of labor, war invalids, and social welfare, to questions concerning the implementation of the regulations on preferential treatment of individuals who have rendered meritorious services to the revolution;

—Answers from Comrade Minister Phan Ngoc Tuong, head of the Government Cadre Organization Committee, to questions concerning administrative reform and reorganization of the state apparatus;

—Answers from Comrade Tran Hong Quan, minister of education and training, to questions concerning college and university tuitions; selection of candidates for training courses overseas; examinations; diploma granting; and classification of high school majors;

—Answers from Comrade Nguyen Trong Nhan, minister of health, to questions concerning the collection of hospital fees, health insurance, and work distribution for and assignment of health care cadres and personnel upon graduation;

—Answers from Comrade Tran Hoan, minister of culture and information, to questions concerning the management of printed cultural materials, advertisement order, and ministerial-level control over social evils; and

—Answers from Comrade Nguyen Canh Dinh, minister of water conservation, to questions concerning the development of farm land irrigation projects and planning for flood and typhoon control and prevention purposes in the Mekong River Delta.

Tomorrow, delegates to the Ninth National Assembly's eighth session will work in the conference hall.

National Assembly Issues Communique No. 20

*BK2610154795 Hanoi Voice of Vietnam Network
in Vietnamese 1430 GMT 26 Oct 95*

[Communique No. 20 issued by the Vietnamese National Assembly in Hanoi on 26 October]

[FBIS Translated Text] The National Assembly today, 26 October, worked in the conference hall under the direction of Chairman Nong Duc Manh to hear the representatives of relevant agencies answer the deputies' questions. Before hearing members of the Government answer the deputies' questions, on behalf of the National Assembly Standing Committee, National Assembly Chairman Nong Duc Manh answered a number of questions on the regulations on the rights and duties of Vietnamese organizations that have received or rented land from the state. The National Assembly heard the following:

—Answers from Minister of Finance Ho Te to questions concerning the national financial situation, tax collection, loan granting and debt settlement, debt settlement by business establishments, and collection of fees and charges;

—Answers from Trade Minister Le Van Triet to questions concerning imports and the granting of licences to the various localities and production and business units to import a number of goods like sugar and motorcycles;

—Answers from Minister Dau Ngoc Xuan, head of the State Committee for Cooperation and Investment, to questions concerning foreign investment in Vietnam and the mechanism of capital contribution to joint ventures with foreign countries;

- Answers from Minister of Labor, War Invalids, and Social Welfare Tran Dinh Hoan to questions concerning the implementation of the regulations on preferential treatment of individuals who have rendered meritorious services;
- Answers from Minister Phan Ngoc Tuong, head of the Government Organization Committee, to questions concerning the reform of the state administrative system and the restructuring of the organizations of the Government and of a number of government agencies;
- Answers from Minister of Education and Training Tran Hong Quan to questions concerning state budget allocations for training; college, university, and vocational high school entrance examination fees; school tuitions; negativism in the granting of diplomas and certificates; and the quality and contents of textbooks;
- Answers from Minister of Health Nguyen Trong Nhan to questions concerning measures to prevent the deterioration of health care facilities, state budget allocations for the health care sector, health insurance, and medical care and treatment for the poor;
- Answers from Minister of Culture and Information Tran Hoan to questions concerning the conservation of national cultural relics, prevention against the proliferation of cultural materials with unhealthy contents, and control over import-export activities on the cultural and information fronts;
- Answers from Minister of Water Conservation Nguyen Canh Dinh to questions concerning flood and typhoon control and prevention in the Mekong River Delta, measures to overcome the consequences of floods and typhoons, and water conservation planning for agricultural production areas.

The National Assembly will continue to work tomorrow, 27 October, at the conference hall.

Ministers Answer Questions at Assembly Hearing

*BK2710074395 Hanoi VNA in English
0717 GMT 27 Oct 95*

[FBIS Transcribed Text] Hanoi VNA Oct.27 — Many cabinet ministers took the floor to respond to a broad range of questions raised by deputies at the National Assembly [NA] hearing on Thursday, the 21st working day of the current National Assembly session.

The hearing began with a reply by Chairman of the National Assembly Nong Duc Manh to questions concerning the adjustment and amendments of the ordinance on the rights and duties of Vietnamese organizations which have land allocation and land leases from the govern-

ment, 'The release of the ordinance by the National Assembly Standing Committee is within its jurisdiction and the letter of all articles and provisions is not contrary to the content of the existing law. The ordinance still remains in force. However, some problems, which have arisen while carrying out the ordinance, should be solved,' Mr Manh told the deputies.

The NA chairman also revealed that 139 question relating to different aspects of the socio-economic sector had been raised by deputies or groups of deputies for the hearing or sent to the government for written answers.

Regarding debt collections, land use taxes and charges and fees collections, Finance Minister Ho Te said 'the government is now facing many difficulties in debt collections due to the bankruptcy and breakdown of many economic organizations, agricultural cooperatives and trade and business units that had operated at a loss.' To this effect, the finance minister proposed seven alternatives in collaboration with staff restructuring. He added 'headway has been made in the control of tax, charge and fee collections in an effort to minimize evasion, wasteful spending and other negative phenomena. However, a policy of charge and fee collections and utilizations is needed to be made public soon.'

Commerce Minister Le Van Triet responded to questions concerning sugar imports this year, and the imports of used motorbikes and cars which had been banned two years earlier. He said 'the banned import of used cars and motorbikes had triggered the growing cross-border smuggling which is out of government control.'

'On January 19, 1995 the government issued a decision to permit the import of these used vehicles again to serve the demand of people and increase revenues,' he added.

On foreign investment, the former chairman of the State Committee for Cooperation and Investment (SCCI), minister Dau Ngoc Xuan stressed: 'Complaints, not 'disappointment' have come from foreign investors. They complain about our poor infrastructure facilities, cumbersome administrative procedures and high risks in investment.'

'All foreign investors share the view that Vietnam's social and political situation was stable so that there will be no risk politically. This has become the most attractive lure for foreign investment in Vietnam,' he told the deputies, adding:

'Economically, risks are easy to occur due to our high inflation rate, unstable product outlets and markets, wide-spread smuggling and corruption lack of water

and power supplies, transport means, as well as proper taxation policies.'

In such a situation, the investment minister presented to the deputies a number of drastic measures to be taken in the near future.

Asked about the evaluation of investment capital contributed by foreign partners with their machinery and technical equipment, which has been declared as having a 'higher than actual value' as noted by many deputies, Mr Xuan said 'lately, the SCCI has asked the SGS Company to re-evaluate investment capital of 13 small and medium-sized joint ventures. A higher evaluation has been identified in seven projects with a total property value of USD 11 million higher than the real value, including a USD 7 million margin from a brewery joint venture.'

Other issues were also responded to by relevant cabinet ministers, concerning the implementation of policy towards people who have rendered great service to the nation, administrative reforms to the government apparatus, the school and hospital fees regime, the master plan to prevent floods in the Mekong River delta, social evils, and the chaotic situation in cultural activities.

Editorial Urges Party Congress Preparation

BK2610150095 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese Oct 95 pp 1-4

[Editorial: "Satisfactorily Conduct Party Organization Congresses for the Entire Armed Forces to Prepare for the Eighth National Party Congress"]

[FBIS Translated Text] Party organization congresses are now being conducted by the entire party in general and in the armed forces in particular. These are in preparation for the Eighth National Party Congress, which is an important event in the political and ideological life of our entire party, people, and army. This widespread political drive is aimed at improving knowledge, unifying views, building confidence, and developing the intelligence of a large number of party cadres and members and the people at large so they can contribute to the party's renovation. Each national party congress of our party marks the vigorous growth of our party and our country's revolution. Compared with the Seventh National Party Congress, the tasks and goals of the Eighth National Party Congress will be much heavier. These tasks and goals will be deepened and broadened on the basis of developing the achievements as well as the experiences of the renovation over the past 10 years. They will also gradually build a prosperous and powerful Vietnam and an equitable and civilized society along the socialist path.

To fully understand and translate the political platform and other resolutions of the Seventh National Party Congress into reality, our entire people and army, led by the party and administered by the state, have resourcefully and creatively overcome numerous difficulties and ordeals. They have worked diligently and tried their utmost to further the renovation undertaking set forth by the Sixth Party Congress. They have scored many very important and all-round achievements on the national construction and defense front.

Our socioeconomic situation continues to be stable and its high growth rate continues to be maintained. The political system has been consolidated and strengthened and its activities have produced lofty results. The leadership ability of various party organizations and the managerial skills of the state apparatus have brought about many improvements and have made great progress. The national unity front has been strengthened. Our party's open-door foreign policy advocating multilateralism and diversification of international relations has made great achievements, making it possible for our people to be gradually integrated into the world community. Our country's prestige in the world has improved remarkably.

On the national defense and security front, our party has successfully readjusted its strategy, consolidated its all-people national defense in which the people's security force is a component. We have been highly successful in reducing the number of permanent troops while improving the combined quality and militancy of our militia forces and the people's army. Our militia forces and our people's army have truly become an elite, reliable, and loyal political force of our party, state, and people. The results of our military and national defense tasks have contributed greatly to maintaining political stability, creating a favorable environment for our national construction. These are direct contributions to our national construction.

What has been achieved by our army and people in the renovation process is great: Our country has escaped a socioeconomic crisis and has maintained political stability. Our people have kept their confidence in the leadership of the party and its renovation policy. We have been able to create a favorable environment both at home and abroad so as to continue to build socialism and defend the socialist fatherland. We have made another important step in translating the political platform of the Seventh National Party Congress into various aspects of life. These achievements are and have been enabling our country to shift toward a new stage of development — that of national industrialization and modernization.

Our party has predicted that although the advantages and opportunities brought about by our country's revolution are now great, the internal and external threats and challenges it may face are also not inconsiderable. The party should be aware that the enemy's "peaceful evolution" strategy against our country's revolution is becoming increasingly evident. It has become more blatant, perfidious, and intensive, especially at a time when our party is preparing for party congresses at various levels and for the Eighth National Party Congress.

In the new situation and with new requirements, in order to successfully prepare and organize the eighth national party congress, party congresses at every level in the Armed Forces need to review and evaluate their successes and problems, draw upon experiences to solve urgent issues, and outline directions and paths to continue the renovation undertaking and to build their military units, party committees, organs, and schools. Party congresses at all levels in the Armed Forces must receive close supervision and be carefully prepared to promote democracy, develop intellect, and correctly carry out party regulations.

Party committees in the Armed Forces must study to fully understand and strictly execute directives on the organization of party congresses at all levels issued by the Secretariat of the party Central Committee and the standing committee of the Central Military Party Committee. Party congresses at all levels must fulfill these requirements: correctly evaluate the situation, achievements, and shortcomings; draw experiences on the leadership and management of party committee echelons and party committees in the past official term; clearly define goals and targets of the party committee in the coming period; contribute views to the draft documents of the national party congress and the party congress at higher level; and elect executive members for the party committee and representatives to attend the party congress at the higher level. The preparation and organization of party congresses must help to fulfill the party committee's political tasks and achieve or overfulfill targets outlined for 1995.

Besides the total comprehension and satisfactory implementation of the aforementioned requirements, party committees need to assess the practical situation of their units to outline concrete tasks on ideological guidance. They also need to create united willpower and action in their party committees to serve as a foundation to unite all the military units. The party committees also have to develop a sense of responsibility so that their party congresses can achieve better results. Depending on their authority, party committee echelons must lead the work to stabilize organizations in their unit; closely coordinate the arrangement of key cadres in each unit with the ap-

pointment of executive members for the new party committee; and strengthen and consolidate the command system and party organizations before organizing the party congress. Party congresses are held from lower levels first. Therefore, party committee echelons must both satisfactorily prepare for their congress and closely supervise the party congress at the lower level.

The party congresses at all levels have to perform many tasks. First of all, the debate on the national party congress documents and the documents of the higher party congress need to focus on key issues, points that have not been discussed thoroughly by the lower party congress, and points that have attracted different opinions to clarify political views in ideology and reality. In discussions, it is necessary to promote democracy, responsibility, the sense of organization, fighting spirit, and intellect of every party member and party organization to find out the truth and common views, especially on issues with different opinions, and to clearly confirm and provide conclusions to various issues, such as the evaluation of achievements and shortcomings, experiences, new directions and tasks, and so forth. We must resolutely fight against reactionary and hostile concepts and ideologies and we must sincerely and straightforwardly fight against manifestations of vagueness and relaxation of vigilance; deviated, incorrect, and conservative concepts and philosophy; and negative activities coming from party members and organizations.

Reports by various echelons of party committees to be presented at these congresses are very important. This is because they will serve as a basis for discussion by the delegates prior to formulating a guiding resolution for their next term. As a result, it is necessary to enhance the capability of various party committee echelons and the functional agencies in anticipation of these congresses. The contents of these reports must be in close association with the orientations, objectives, and tasks set forth by the higher echelons. These contents must also be in line with the political task of party organizations and units. The reports should clearly specify which tasks have or have not been successfully carried out especially in supervising and guiding the implementation of the political task of party committees during the past term so as to draw on lessons and experiences for the next term. In appraising the supervision results, it is necessary to enhance the spirit of criticism and self-criticism while formulating measures for a comprehensive review of tasks carried out by various agencies, units, and key cadres. It is necessary to point out good work and shortcomings of each echelon and strive to overcome the tendency of seeing only mistakes of the higher and lower echelons while failing to accurately appraise the real capabilities of party cadres, members,

and organizations at their level. The appraisal should be comprehensive and solid through which lessons of experience can be drawn on. Efforts must be made to avoid the listing of problems in the report without presenting their causes. In the orientations part, it is necessary to specify requirements, objectives, and concrete contents especially in promoting the political task, developing integrated strength, strengthening the militancy, and enhancing the efficacy of units. It is also necessary to formulate concrete and applicable measures to overcome weaknesses of party organizations while enhancing the quality in building pure, firm, and comprehensively strong units.

In discussing the formulation the congress resolution, various echelons must firmly grasp the political task, focus their attention on key issues, detect weaknesses, and design measures to enhance the quality of party organizations, units, and cadres in the days ahead. The discussion should be conducted in a democratic, unity, frank, and candid manner while efforts should be made to avoid shunning of responsibility, duplication, and prejudice.

The formulation of a correct resolution is a significant task, while success in its implementation rests with the contingent of cadres including the executive committee of party organization. As a result, the election of party committee is a very important task for party organization congresses at various levels. Various party committee echelons should carefully consider the quality and conduct of candidates and the unique conditions of their units to select proper party committee members. All echelons must actively enhance the quality of their key cadres while perfecting tasks of their party committees. The election of party committee members must be conducted in a democratic, accurate, and unified manner while efforts should be made to overcome such phenomena as departmentalism localism, opportunism, faction, and personal relations. Only by successfully carrying out these tasks will we be able to elect party committee members with a firm political background who are loyal to the socialist objectives and ideology, who are competent and enthusiastic, who have appropriate characteristics to continue and develop our work, and who have ample capability to lead party organizations and units to triumphantly carry out the assigned tasks.

The election of delegates to the higher echelon party organization congresses must be carried out in accordance with stipulations of the party statute and guidance provided by the higher levels. Each party organization must strive to elect competent delegates who can represent the quality and capability of its units and who are capable of contributing ideas to various documents of party organization congresses at the higher level.

Before holding party congresses, concerned party organizations at various levels must provide satisfactory guidance for a review of the results obtained from the implementation of the Seventh Party Central Committee's third plenum resolution on the need to "carry out party renovation and rectification" as well as the Sixth Party Central Committee's Resolution 8-B on the need to "renovate the party's mass motivation work and strengthen relations between the party and the people." The purpose of this review is to discover the important matters to be raised in the reports and resolutions of these party congresses.

The review of the Party Central Committee's third plenum resolution on party renovation and rectification must be carried out scrupulously by military party organizations to ascertain what has been done; which problems continue to exist and why they exist; and to draw upon lessons learned from experience over the past three years in carrying out party renovation and rectification. Based on the specific situation of each party organization, such a review must be directed at analyzing important matters such as building the party politically, ideologically, and organizationally, the application of the principles of democratic centralism, personnel-related work, the building of relations between the party and the masses, and the renovation of the party's leadership procedures. When conducting a review, we must evaluate these matters, emphasize the need for party members and party organizations to set examples in terms of their ethics and wisdom as well as their militancy in party activities. All these are a mainstay of party renovation and rectification.

Renovating mass motivation work is an important matter in party renovation and rectification. Party organizations must organize a comprehensive review of their efforts to motivate nonparty members in the army and must clearly discuss the results of this work, reasons for success or failure, and lessons of experience. They must also propose policies, courses of action, targets, and measures to be adopted to step up mass motivation work during the period ahead.

Reviewing the two aforementioned tasks now constitutes an urgent demand for carrying out party building and mass motivation, and for strengthening army-people relations in the current situation. Therefore, we must pay attention to providing guidance for activities aimed at guarding against various tendencies such as the tendency to belittle requirements for the conduct of a review or the tendency to argue that once a review has been conducted, there is no need to carefully discuss those matters related to party building and mass motivation during party congresses of party organizations at

various levels. The results of various party congresses will be affected if such tendencies are allowed to exist.

As the process of preparing for and holding party congresses at various levels in the armed forces will involve many things, every party committee must map out drastic leadership and guiding measures to link efforts to ensure the success of party organization congresses and the Eighth National Party Congress with efforts to step up the determined-to-win movement to emulate achievements to mark military party congresses at various levels

and the Eighth National Party Congress, trying to generate a mass movement for revolutionary action to promote the implementation of political tasks of the units concerned, especially the task of remaining combat vigilant and combat ready. This is to help maintain political security and public order, improve the qualities of indoctrination and training, establish a standard pattern for the maintenance of weapons and equipment and for the organization of every-day life.

Australia**Minister Dismisses French Threats on Boycott**

*LD2710101395 Melbourne Radio Australia
in English 0900 GMT 27 Oct 95*

[FBIS Transcribed Text] Acting Foreign Minister Bob McMullen has dismissed French threats of legal action against the government of the Australian Capital Territory [ACT], which encompasses Canberra, over its proposed boycott of French goods. French ambassador, Dominique Girard, has warned the ACT chief minister, Kate Karnell, that an anti-French boycott would breach Australia's international treaty obligations. Mr. Girard says the French Government and French companies would use every means to prosecute if the boycott is implemented. But Senator McMullen says Australia is not a signatory to the General Agreement on Tariffs and Trade government purchasing code, so there is no legal basis for prosecution:

[Begin McMullen recording] It won't help the long-term interests of France to be seen to be trying to be overbearing in their response to legitimate protest. What they have to do is go to the root cause of the problem, which is quite clear — it is their actions that are the root cause of the problem — and the solution lies in the hands of the French Government and Monsieur Chirac. He could solve it in an instant. [end recording]

Papua New Guinea**BRA Leader Blames Government for Visit Delay**

*BK2710093995 Melbourne Radio Australia
in English 0500 GMT 27 Oct 95*

[FBIS Transcribed Text] The leader of the Bougainville Interim Government and the Bougainville Revolutionary Army [BRA], Francis Ona, has blamed the Papua

New Guinea Government for a United Nations Human Right Commission investigator aborting his visit to Bougainville. The UN special rapporteur, (Baakun Daiyay), could not visit Bougainville this week because the helicopter hired to take his team to Bougainville underwent repair work. (Mr. Daiyay) was scheduled to meet leaders of the BRA and civilians. Mr. Ona claimed in a statement that repairs on the helicopter were used as an excuse to prevent the UN team from visiting Bougainville.

Indonesia Assured of Investigation on Attack

*LD2710112295 Melbourne Radio Australia
in English 1000 GMT 27 Oct 95*

[FBIS Transcribed Text] Papua New Guinea has assured Indonesia there will be a full investigation into this morning's attack on the Indonesian Consulate in the border town of Vanimo. Sean Dorney reports that Prime Minister Sir Julius Chan says he is extremely concerned about the raid by a crowd, which included well-armed rebels from the Free West Papua Movement, the OPM [Organisasi Papua Merdeka]:

[Begin Dorney recording] Nobody was injured, but Indonesian officials in Vanimo say those who broke in smashed windows and doors, ransacked the office and guesthouse, and stole money, watches, and clothes. They estimate the damage to the consulate compound at more than \$100,000. Sir Julius Chan says he is extremely concerned that PNG's sovereignty has been violated by the OPM rebels, and he has directed the acting foreign secretary to assure the Indonesian ambassador that a full investigation has been launched and those responsible will be dealt with. [end recording]

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